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Pakistan Killings: Link to U.S. Trial?

4 Americans Shot Dead in Karachi In Attack With Political Overtones

By Kenneth J. Cooper
Washington Post Service

ISLAMABAD, Pakistan — Four American oil company employees were shot and killed Wednesday in the Pakistani port city of Karachi, and the police there said the attack might have been staged in retaliation for the conviction Monday in a U.S. court of a Pakistani for the killing of two CIA employees in 1993.

Family sources and Pakistani security officials said the gunman, Mir Aimal Kansi, had indicated to his brother in conversations in a jail in Virginia that Islamic fundamentalist supporters would take revenge for his prosecution.

The police said the four Americans, auditors for the Houston-based Union Texas Petroleum Co., were being driven in a station wagon from their hotel in central Karachi to the company's local offices when the attack occurred.

Malik Iqbal, the Karachi police chief, said that another car pulled up behind the station wagon and that several men in the car began firing at the Americans with automatic weapons. The fusillade forced the station wagon off the road, the chief said, at which point the assailants sprayed the vehicle and its occupants at close range with more gunfire before speeding away.

"Everyone in the car died on the spot," Mr. Iqbal said, including the Pakistani driver.

"It is premature to say why the Americans were killed," Mr. Iqbal said, "but there is a strong possibility that it was linked to Mr. Kansi's conviction." He added that a citywide hunt for the killers was under way and that the car they used had been found abandoned about half a mile from the shooting site.

[In Washington President Bill Clinton's spokesman described



An unidentified man shouting for help beside the car in which four Americans were shot in Karachi on Wednesday in what may have been retaliation for the conviction of a Pakistani gunman in a U.S. court.

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Security Council Sets Travel Ban On Iraqis and Warns Saddam

In Diplomatic Victory for West, Unanimous Vote Condemns Threat to Fire on Spy Planes

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — The Security Council voted unanimously Wednesday to impose a travel ban on Iraqi officials who do not cooperate with an international disarmament commission and threatened unspecified further action if President Saddam Hussein does not rescind an order to expel American weapons inspectors.

The resolution also condemned Iraq for threatening to shoot down U-2 surveillance planes, blocking inspections and hiding equipment during the current crisis and called the Iraqi actions "a threat to international peace and security."

Iraqi officials said they would defy the Security Council's demands, leaving a big question about what comes next. In Baghdad, weapons inspection teams were again barred from entering suspect sites because there were Americans among them.

Deputy Prime Minister Tariq Aziz, who has been in New York arguing Iraq's case, did not ask to address the Security Council on Wednesday, as he was entitled to do as a representative of the country in the dock, after it became evident that all 15 council members supported the resolution.

While the United States and Britain did not obtain as strong a resolution as some Western officials may have preferred, the Iraqis have done considerably worse, reversing a diplomatic gain made three weeks ago and suffering a setback because of their efforts to tamper with the arms-inspection system established by the council.

On Oct. 23 the council was seriously divided over the travel sanctions, with China, Egypt, France, Kenya and Russia abstaining from support of even a watered-down resolution postponing consideration of the ban until April. The ban now takes effect immediately.

Reflecting the views of several smaller nations on the council, Costa Rica's representative, Fernando Berrocal Soto, said the decision went beyond "legalisms." The council had faced a fundamental political challenge with implications for the future, he said.

Iraq's foreign minister, Mohammed Said Sahhaf, went on the offensive against the United States at a news conference in Baghdad a few hours before the vote.

He repeated the Iraqi threats to expel American arms inspectors and shoot at American aircraft. He charged that

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English Au Pair Is Free, But Medical Debate Rages

Doctors Attack Defense's Scientific Claims

By Carey Goldberg
New York Times Service

CAMBRIDGE, Massachusetts — Now that Louise Woodward is free, the suspense in the English au pair's sensational murder trial seems resolved; but the critical question of scientific fact at the core of her case — what exactly killed Matthew Eappen, the 8-month-old baby in her care — most decidedly is not.

From around the country, pediatricians specializing in child abuse protested the assertion of Ms. Woodward's lawyers that the medical evidence supported her claim of innocence. In a public letter issued Tuesday by the Massachusetts Society for the Prevention of Cruelty to Children, 50 of them said, "The prosecution put forward well established medical evidence that overwhelmingly supported a violent shaking/impact episode on the day in question, when Matthew was in the sole custody of Ms. Woodward."

"The shaken baby syndrome," the letter said, "is now a well-characterized clinical and pathological entity with diagnostic features virtually unique to this type of injury — swelling of the brain, bleeding within the head and bleeding in the interior linings of the eyes."

Identified and researched for the last generation, "shaken/impact baby syndrome" is believed to cause about 300

deaths and hundreds more injuries per year nationwide among children under age 2. It involves shaking and slamming of extreme violence — nothing as innocuous as bouncing a child on one's knee or a fall from a chair.

Ms. Woodward's lawyers, who have called this a case that turns on science, accused the prosecution of twisting the medical truth and vowed to pursue further "scientific investigations" that would exonerate her completely, though they would not specify their nature.

The defense and the pediatricians who wrote the letter agreed, however, that the time had come for some kind of peer review process that would police scientific testimony and discipline colleagues who deviated from the truth because of their own agendas — or those of the people who pay them.

Certainly, such peer review might have helped at the Woodward trial. Even Judge Hiller Zobel, who reduced Ms. Woodward's conviction from second-degree murder to involuntary manslaughter and released her on Monday after sentencing her to time served, did not undertake to rule decisively on what the medical experts had said.

He wrote only that he believed Ms. Woodward had become rough with the baby, and "the roughness was sufficient

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AGENDA

Nervous Markets Follow Asia Down

Waves of nervous stock selling swept around the globe again Wednesday, landing with a roar on the shores of Brazil.

Steep falls in Hong Kong and Tokyo pushed London, the European market with the most ties to Asia, down more than 2 percent.

Meanwhile, in Washington, Federal Reserve Board policymakers decided not to change U.S. interest rates. Page 11.

The Dollar			
	Wednesday @ 4 P.M.	previous close	
New York	1.7175	1.709	
DM	1.7045	1.7045	
Pound	1.7045	1.7045	
Yen	126.525	125.045	
FF	5.7572	5.7239	

The Dow			
	Wednesday close	previous close	
	7406.97	7558.73	
S&P 500	7406.97	7558.73	
change	Wednesday @ 4 P.M.	previous close	
	-17.87	905.91	923.78

U.S. Labor's Muscle

The humiliation suffered by President Bill Clinton when House Democrats failed to rally to the "fast-track" trade bill underlines the growing muscle of organized labor in the party. Page 3.

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The IHT on-line	www.iht.com		

Rebuilding UN Coalition: Unity Is Proving Elusive

By Charles Trueheart
and David Hoffman
Washington Post Service

As the UN Security Council reached agreement on imposing a travel ban on Iraqi officials, the chief U.S. representative to the United Nations, Bill Richardson, proclaimed Wednesday, "The old coalition is back."

If the new warning to President Saddam Hussein embodies the Gulf War coalition of major powers that drove Iraqi troops out of Kuwait in 1991, then it is a diminished, uneasy incarnation that does not disguise persistent differences of approach, notably between the United States and two other Security Council members, France and Russia.

The two countries' opposition to the threat of military retaliation reflects a multitude of economic and geopolitical interests, as well as transient diplomatic

tensions and deeply ingrained national streaks. Both countries have past and potential energy investments to exploit, and a past political influence in the region they would like to reclaim.

"The Russians are in a bit of a dilemma," a Western diplomat in Moscow said. "On the one hand they want

NEWS ANALYSIS

unity in the Security Council, and want Iraq to destroy its weapons of mass destruction. But they have a lot of interests, and they think they have a special influence with Iraq, that they can be interlocutors. So they are always more reluctant to use force."

An Iraq in turmoil, should Mr. Saddam be weakened or fall, would create a vacuum that its neighbor Iran would

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FBI Sees Clinton and Gore on Funding

Both 'Cooperating Fully' Over Campaign Phone Calls, Their Lawyers Say

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton and Vice President Al Gore have been questioned by Justice Department officials who are examining possible campaign fund-raising abuses, the White House said Wednesday.

Mr. Clinton was interviewed Tuesday in the White House residential quarters and Mr. Gore at the vice presidential mansion, according to Michael McCurry, the White House spokesman.

The two reportedly were not placed under oath by FBI agents. Both were accompanied by their attorneys.

The interviews marked a significant move forward in parallel investigations that risk further tarnishing the images of

Mr. Clinton, whom some are already calling a lame duck, and Mr. Gore, whose campaign for the presidency could be slowed.

Officials would not reveal exactly what was said in the interviews except to say that it concerned phone calls made from 1994 to 1996.

A statement from a Clinton attorney, David Kendall, and a Gore attorney, George Frumpton, said that both men were "cooperating fully with this investigation and voluntarily agreed when interviews were requested."

James Neal, another Gore attorney, told The Associated Press: "The FBI asked all the questions they wanted to ask — every one — and the vice president answered every one of them."

Attorney General Janet Reno has un-

til Dec. 2 to decide whether to call for the appointment of an independent counsel to investigate possible abuses.

For now the Justice Department is limited to investigating whether either man illegally solicited contributions using White House phones, an issue that one political analyst, Thomas Mann of the Brookings Institution, likened to "a parking violation."

This was not the first time that Mr. Clinton, while president, has been questioned in connection with a legal investigation. Investigators in the White House affair interviewed him before video cameras.

Nor were the interviews unexpected. Attorney General Reno had said that she

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New Math for Workweeks

Europe Firms Trim Hours, but Not to Add Jobs

By John Tagliabue
New York Times Service

BOLOGNA, Italy — For 20 years, Amadeo Nasseti's routine had been as immovable as the huge machines he works on at a factory here owned by Bonfiglioli Group. He put in the same eight hours a day, starting at 8 A.M., five days a week.

But last year, his 21st at Bonfiglioli, a world leader in the manufacture of gearboxes and electrical motors, Mr. Nasseti needed a dance card to keep track of his schedule.

Instead of 40 hours a week, he found himself working fewer than 32, and in rotating shifts starting as far apart as 6 A.M. and 10 P.M. Some weeks he worked four days, others five; some weeks he worked Saturdays, in others he had four-day weekends. This autumn, the 57-year-old has a 34-hour week, with most Saturdays and Sundays off.

The only thing that has remained the same is his salary.

Mr. Nasseti's shorter but far less predictable schedule is corporate Europe's

answer to an acrimonious debate sweeping the Continent about jobs.

As politicians, labor leaders and employers argue over the age-old vision of cutting working hours, some bigger companies, like Bonfiglioli, have already taken out the ax. But they are doing it to enhance their competitiveness, particularly internationally, and not to help cut unemployment, as some are urging, by letting those without work take up the slack.

"It was not really an issue of reducing hours but of gaining flexibility," said Sonia Bonfiglioli, the company's chief executive.

Adding jobs has been the goal of leftist politicians and union leaders searching for ways to slice Europe's persistently high unemployment, double the level in the United States. If the Continent cannot increase the size of its economic pie, they argue, then workers should make do with a smaller slice though no less pay — so that more people can come to the table.

The idea has caught on in Italy, where the government recently pledged to trim the maximum legal workweek to 35 hours, from 40, by 2001. The French have made a similar vow.

But those moves have isolated Paris and Rome from the rest of the 15-member European Union, which rejects the idea as ineffective, and they have also splintered labor.

Some in labor's mainstream say a rigid system of shorter hours, by itself, could actually cost jobs by adding expense to European companies that already have trouble competing effectively in the global market. Shorter hours should be negotiated on a company-by-company basis, the main-

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A Sweat Over Global Warming

By Joby Warrick
Washington Post Service

SANBORN, North Dakota — The latest projections call for 100 years of warming in this wind-whipped prairie town, a forecast that goes down easy in a place where snowdrifts can halt mail delivery for weeks at a time. If the greenhouse effect means fewer frozen fingers and frozen cows, townsfolk here say bring it on.

"Even a little warming would be nice," said Karen Aus, the local postmaster, whose domain includes a grain mill, a few dozen clapboard houses and 270 souls. In fact, some government computers are predicting steadily milder temperatures that could lengthen the growing season and very gradually bring new opportunities for farmers in the frigid Northern Plains.

But the same computers warn of other possible effects that would be anything but mild. Towns like Sanborn could eventually see even bigger blizzards and worse floods, possibly separated by searing droughts, the projections show.

Some townspeople say they believe they have already witnessed the future after a year that a record for snowfall — 112 inches (284 centimeters) in Sanborn's Barnes County — followed by catastrophic floods that put Red River Valley cities under water.

"I'm convinced it's global warming but I don't know exactly what it's supposed to mean," a retired farmer, Henrik Voldal, said of the recent turns in the weather. "I just know it sure as hell has been strange."

The enormous range of possible outcomes, from modest boon in some spots to total disaster in others, is one reason global warming continues to spark heated debates in Sanborn and other towns and cities around the world. Despite major improvements in computer models, scientists cannot yet say how quickly the Earth will warm or how severe the impacts in any given region would be.

But overlying the uncertainty is a broad scientific consensus on the fundamentals of the warming forecast. Global warming is real, a large majority of scientists agree, and to assume the effects will be mild or even beneficial is a gamble, at best. On balance, a rapid change in the Earth's climate is likely to do far more harm than good, according to many of the nation's most prominent atmospheric scientists.

"There's a better scientific consensus on this than on any issue I know, except maybe Newton's second law of dynamics," said James Baker, administrator of the U.S. National Oceanic and Atmospheric Administration. "Man has reached the point where his

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'No Shock Therapy Here' / Lukashenko's 'Village Dictatorship'

Bad Old Days Live On in Belarus

By Daniel Williams
Washington Post Service

MINSK, Belarus — Perhaps nowhere in the former Soviet Union does the scent of the old U.S.S.R. seem stronger than in this poor, struggling and somewhat confused East European country.

Miss the nervous tension of cat-and-mouse games between political dissidents and KGB agents? Come to Minsk, the capital, where opposition activists meet secretly to pass around underground tracts and videotapes.

Only in Havana do leaders try to command economic growth into existence? Try President Alexander Lukashenko, who decreed not long ago that everyone in Belarus work toward a 3 percent increase in industrial production.

Looking for government-run low-wage, low-production businesses? Dozens of factories here are dependent on subsidies and make goods almost no one wants.

Welcome to the time warp.

The image of democracy and free markets marching in lockstep is the political cliché of the post-Cold War 1990s. But some countries, including this one, appear not to be marching.

Belarus is not the only former Soviet republic to practice strongman politics and retreat from liberal economics. Kazakhstan, Uzbekistan, Armenia, Azerbaijan all have turned back the clock to some extent in other parts of the vast stretch of territories that made up the Soviet Union.

But Belarus, population 10 million, is out of step in this corner of Europe. All its neighbors have moved toward liberalization. In economics, Poland, Russia, Lithuania and Ukraine dived into the free market cold bath, and, despite hard times, none have returned to one-man or one-party rule reminiscent of Soviet times.

But Human Rights Watch reported in August that Belarus has "reversed nearly all the advances in the field of human rights and rule of law" that marked the past decade. In particular, attacks on the press are widespread — from the beating of reporters to the use of tax inspectors to harass publishers, the human-rights group said.

Belarus's other claim to fame is its loose union with Russia in a pact signed last spring. Although stopping short of a formal merger, the pact obliterated the border between the two countries; air travelers do not pass through customs or immigration inspection when moving from Moscow to Minsk. And the agreement, limited as it is, also sealed Belarus's inclination to look to Moscow for economic support and political leadership.

Liberals in Russia fret that because of the close relations, the Belarussian example might be contagious. But the problem is likely to be the other way around: How will a small, underdeveloped country with a rigid, government-centered economy prosper when big brother is developing in an entirely different direction?



President Lukashenko's country has 'reversed nearly all the advances in the field of human rights and rule of law.'

The Lukashenko government argues that it is Russia that is heading down the wrong path. "We see Russia's problems every day on television. We are not going to follow its example," Nikolai Korbut, the finance minister, said in an interview.

Such comments might seem like bluster elsewhere, but in Belarus they seem appropriate. The country harbors a deep reserve of nostalgia for Soviet days, or at least for the economic stability of that era.

Even people in private business say things were easier then. Poorer people, still dependent on government handouts or jobs, are even more emphatic.

"Things were much better under Soviet rule," said Liubov Komash, a waitress. "Money was stable, you could count on things being the same from day to day. Not like now, where money disappears and there are no jobs."

In Minsk, the climate is as Soviet as the sky is gray. The government-run Belarus Hotel has security guards checking identification at the entrance, waiters who spend more time watching television than serving patrons and discos where handfuls

of patrons dance a two-step to whatever music is playing.

A physician who arrives to treat a foreigner's case of dysentery has no medicines. He tries to take the patient's blood pressure, but the pressure gauge breaks. In hopes of performing some service, the doctor pulls out an electrocardiogram machine. It sputters and records that the patient has no heartbeat, much to the chagrin of the increasingly agitated foreigner who refuses further treatment: an offer to inject him with caffeine.

THE Cold War impression is softened somewhat by the presence of McDonald's restaurants, a Benetton boutique, a Ford motor plant and a few other capitalist transplants. But by all accounts, foreign investment is stymied by uncertainty over the direction of the economy and politics. Last year, foreign investment totaled \$58 million, compared with more than \$2 billion in neighboring Poland. The World Bank ranks Belarus 115th of 135 countries on the basis of business attraction.



Recently, the government adopted a policy against the privatization of a half-dozen industries, including tractor, optics and metalworks plants, that account for more than half the country's industrial production. It also decided to print money to cover budget deficits, rather than cutting expenditures.

"There will be no shock therapy here," said Edouard Eiden, a private consultant who helped devise the economic program. "Our people are not ready to have a small class of rich people and wait for this class to make others rich," he continued. "We don't, for instance, consider inflation a crime. We print money because it is ridiculous to make reforms at the expense of paying salaries."

This approach also applies to politics, he contended, although he seemed unhappy to take up the subject. After mumbling something about the room possibly being bugged, he said, "Let's give the people something to eat and then we'll talk about democracy."

Mr. Korbut, the finance minister, echoed the sentiment. He argued that there was no opposition in Belarus, only "informal groups" — the phrase dates to Soviet times — who criticize Belarus abroad.

"We have real strong authority and public support," he insisted.

"Freedom is a conscious necessity" — he was quoting Marx — "And everyone estimates freedom as he understands it."

This is the platform of Mr. Lukashenko, 42, who won the 1994 presidential election with a pledge to clean up government. He soon gained notoriety by praising Hitler for building a "mighty Germany" and suggesting that he would exercise presidential power the same way.

Mr. Lukashenko justifies crackdowns on the press on the grounds that Belarus is surrounded by "a circle of enemies."

A year ago, he dissolved the Parliament and arranged a referendum on a constitution giving him sweeping powers. Officially, 95 percent of Belarussians voted yes. Opponents cried fraud.

Last spring, Mr. Lukashenko closed the Soros Foundation, which funded democratic, health and educational institutions, seizing its \$3 million bank deposits.

Opponents see Belarus sinking into a long-term dictatorship. They dispute only how strict the rule will be.

"He won't kill people," said Peter Martis, a business magazine editor. "This country is too small. This will be a village dictatorship, where everyone will know who is in charge."

Joy and Violence At Rachel's Tomb

Boy Shot Near West Bank Shrine

By Joel Greenberg
New York Times Service

BETHLEHEM — Ali Jawarish, 9, lay very still on a street here, blood and brain tissue oozing from a hole in his forehead where he had been shot at close range by an Israeli soldier firing on fleeing young stone-throwers.

For long minutes a man stood alone over the critically wounded boy, gesturing wildly for a car, before the unconscious victim was loaded into the back seat of a vehicle and rushed to a hospital.

As other boys scattered in fear, an enraged teenager picked up a rock and dared soldiers crouched behind a wall to come out and fight. They aimed their guns, but did not fire again.

The boy was unconscious and in critical condition Wednesday, his doctors, quoted by The Associated Press, said. Dr. Mathair Dairwah, a surgeon at Ramallah Hospital, said the boy was in intensive care Wednesday, had not regained consciousness and was to be transferred later in the day to Hadassah Hospital in Jerusalem.

The wounding of the boy, apparently by a rubber-coated metal bullet, ended a tire-burning protest set off by the main event up the road — the grand opening of a new fortified complex encasing Rachel's Tomb, a Jewish shrine in an Israeli-controlled salient that juts into this Palestinian-ruled town.

The festivities Tuesday, attended by hundreds of strictly Orthodox Jews, Defense Minister Yitzhak Mordechai and Israel's two chief rabbis, were a celebration of Israel's continued control of the ancient shrine venerated by Jews for generations. But the bloodshed within earshot of the music, and the police and troops ringing the site were a reminder that the place of prayer remains a flash point of tension.

Rachel's Tomb, the traditional burial place of the wife of the biblical patriarch Jacob, has been the target of violent Palestinian protests for more than a year as peace efforts have faltered.

To protect Jewish worshippers at the tomb, the Israeli Defense Ministry commissioned an architect to enclose the centuries-old structure in a fortified complex of stone-faced concrete topped by guard towers. The \$2 million project, overseen by the Religious Affairs Ministry, took a year and a half to complete. Now a solid wall of stone-

filled arches covers the shrine, providing a large protected prayer space but hiding the familiar domed tomb whose picture has decorated Jewish homes around the world.

That building, in the style of Muslim tombs, was built during the period of the Ottoman Empire and renovated in the 19th century by Sir Moses Montefiore, a Jewish philanthropist, for worship by Jews as well as Muslims, who also consider the tomb a holy place.

Asserting that the tomb contains a mosque from which Muslims are excluded by Israel, Hassan Tahboub, the Palestinian Authority's minister of religious affairs, contended Tuesday that the construction violated the Israeli-Palestinian self-rule accord of 1995. The agreement stipulates that while Israel will be in charge of security at the tomb, the "present situation" there will be maintained.

"The tomb is an Islamic trust, and Israel is violating the Oslo accords, freedom of worship and the protection of the holy places," the Palestinian minister said. "They are creating facts on the ground in disregard of other people's feelings."

But Yisrael Meir Lau, the Ashkenazi chief rabbi of Israel, rejected the criticism. "Is someone destroying or selling off the tomb?" he asked. "We are simply preserving our right to pray at the tomb of our mother Rachel, without violating the rights of anyone else. The question that should be asked is why the Muslims build on sites that are holy to another people."

For the hundreds who packed the tomb in fervent prayer Tuesday to mark the traditional anniversary of Rachel's death, the religious and territorial disputes swirling around the shrine were of little relevance.

Women in kichers and long dresses and men in black coats and hats, many wearing traditional Jewish prayer shawls, swayed over prayer-books in separate prayer sections. Followers of a Hasidic sect hawked religious books and danced to religious music blaring from loudspeakers. Beggars asked for charity.

"For 2,000 years we have yearned to come to Rachel's Tomb to pour out our prayers," Mr. Mordechai told the crowd. "For years we could only look at it from afar. We have returned to Rachel's Tomb. We have come to this place, and we will never leave it, until the coming of the Redeemer."

TRAVEL UPDATE

£100 and a two-year multiple entry visa £150.

A 50-year-old New York City limousine driver was arrested Tuesday and charged with trying to extort money from three tourists after locking them in his vehicle. (NYT)

Leipzig Rail Station Is Reopened

LEIPZIG, Germany (Reuters) — The Leipzig railway station, Europe's largest rail terminal, reopened Wednesday after a two-year renovation that included the creation of a 140-store shopping mall. Chancellor Helmut Kohl hailed the reopening of the 1915 station as a symbol of East German revival, saying the station was once again "a visiting card for the railroad."

All of the stores in the three-story, 30,000-square-meter mall have been leased. They will be able to stay open until 10 P.M., while others must close at 8 P.M.

Air France Sees Little Strike Impact

PARIS (Reuters) — A call by an Air France pilots' union for a two-day strike beginning Thursday is expected to have little impact on the airline's operations, airport officials said. They said 14 percent of pilots were expected to strike, resulting in cancellation of about 30 of the airline's several hundred daily flights. Air France planned to fly larger aircraft on routes where flights might be canceled, so that all passengers could be accommodated, the officials said.

Britons Will Need Visas for Kenya

NAIROBI (Reuters) — Kenya will require all British passport holders to have entry visas starting Saturday, a spokeswoman for the British High Commission said Wednesday. Britain started charging Kenyans for visas in 1996. Visas will be available at Kenyan missions or at the port of entry. A single-entry visa will cost £40, a multiple-entry visa valid for one year

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WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.



Legend: ☀ Sunny ☁ Partly cloudy ☁ Cloudy ☁ Showers ☁ Thunderstorms ☁ Rain ☁ Snow ☁ Ice ☁ Fog ☁ Haze ☁ Wind ☁ Storm ☁ Tornado ☁ Hurricane ☁ Typhoon ☁ Cyclone ☁ Monsoon ☁ El Niño ☁ La Niña ☁ Other ☁

North America: A developing storm will cause heavy rain over the eastern half of the continent, then dry and milder across the West. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday.

Europe: A storm in the Mediterranean will bring soaking rain to southern Italy, then rain to southern France, then rain to the Netherlands. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday.

Asia: Cold with snow and blizzards in Mongolia Friday, then rain to southern Italy, then rain to the Netherlands. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday.

Australia: Dry and milder across the West. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday. A few showers in the Northeast Friday; rain in the Midwest Saturday; dry and milder across the West Sunday.

Legend: ☀ Sunny ☁ Partly cloudy ☁ Cloudy ☁ Showers ☁ Thunderstorms ☁ Rain ☁ Snow ☁ Ice ☁ Fog ☁ Haze ☁ Wind ☁ Storm ☁ Tornado ☁ Hurricane ☁ Typhoon ☁ Cyclone ☁ Monsoon ☁ El Niño ☁ La Niña ☁ Other ☁

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THE BOSPHORUS, ISTANBUL, TURKEY

Faulty Lira Coin to Be Redrawn

Reuters

MILAN — Italy said Wednesday that it would mint another version of a new 1,000 lire (60-cent) coin after learning that the original featured a European map showing a divided Germany.

Arturo Accellasi, owner of a stamp and coin collectors' shop, discovered the error shortly after the coin went into circulation Monday. Ger-

many was reunited in 1990.

The treasury minister, Carlo Azeglio Ciampi, said: "We realize there has been a mistake. A new coin will be brought into circulation within days."

He did not say whether Rome planned to withdraw the new coins from circulation — a move that Mr. Accellasi said would increase their value as a collector's item.

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THE AMERICAS

Trade Bill's Fate Underlines Labor's Muscle

By Jill Abramson
and Steven Greenhouse
New York Times Service

WASHINGTON — The stinging blow to President Bill Clinton's trade policy delivered by House Democrats comes at a time when labor's hand has been growing stronger within the Democratic Party.

Labor's victory also reflects a shift in the party's financial center of gravity.

Union money is once again predominant, especially for House Democrats, whose financial support from the business community began drying up after Republicans won control of Congress in the 1994 election. By 1996, labor's political action committee contributions jumped to 48 percent of all such donations to House Democrats, up from 33 percent in 1992.

To be sure, labor's money was not the only reason why so many Democrats joined the labor-led mutiny to defeat the president's efforts to expand his power to negotiate free-trade agreements, known as "fast track." Many Democrats had deep concerns about the effects of the North American Free Trade Agreement passed in 1993 and worries about environmental and labor standards.

Labor also organized early and waged a skillful campaign, led by the AFL-CIO, targeted at Democrats and Republican House members in districts with heavy labor constituencies. Labor activists were joined by a coalition of civil rights organizations and environmental groups.

The AFL-CIO went on the air in 20 key congressional districts with advertisements opposing fast track in mid-September and had spent \$1.5 million to \$2 million through the end of last week, according to Denise Mitchell, an AFL-CIO spokeswoman.

It was labor's biggest showdown with the White

The Cost of 'Fast-Track' Setback

Executives in U.S. Say Trade Bill Defeat Will Hurt Economy

By Richard W. Stevenson
New York Times Service

WASHINGTON — The inability of Congress and the Clinton administration to pass a measure granting the president broad authority to negotiate trade deals could cost companies and the economy dearly in the long run, according to the managers of many American businesses.

The outcome, which organized labor hailed as a victory for its demands that trading partners be required to improve workers' rights and environmental standards in return for access to the U.S. market, came as a shock to some executives. They said Tuesday that they assumed that the combination of a Republican majority in Congress and an administration that is strongly pro-free trade would be sufficient to insure the passage of the measure, which was withdrawn in the House early Monday when it became clear it would be defeated.

"It seems to me common sense to give the president that power because we're missing huge opportunities to do trade deals and create jobs in this country," said Michael Starnes, the chairman and chief executive of M. S. Carriers Inc. of Memphis, Tennessee, a trucking company.

"The ramifications for the economy could be serious," he said. "I'm concerned that we'll end up exporting jobs rather than products."

Many executives said the most im-

mediate danger was from European and Asian competitors who are making inroads into fast-growing markets in Central and South America while the United States is effectively precluded from negotiating market-opening deals in those regions.

Eventually, they said, the same thing would happen in other parts of the world.

As a result, U.S. companies would increasingly shift production from the United States to those regions in order to escape tariffs and other trade barriers, causing an acceleration of a decade-old trend that has seen manufacturing jobs migrate to other nations.

While many executives said they blamed organized labor for dooming the trade measure, some of them also faulted the business community for not doing a better job of making its case to members of Congress.

Whatever benefits so-called fast-track negotiating authority might bring to the economy and workers, the executives said, members of Congress heard about them primarily from lobbyists and senior business executives, not from workers and other voters in their districts.

Some business executives said the trade battle had already led them to rethink their strategies for promoting their agenda in Washington. Among other steps, they said, they would do more to sell their own workers on the benefits of trade and encourage employees to make their opinions known to their members of Congress.

House since unions lost their

Mr. Clinton's trade policies.

The fight unfolded at a precarious time for Democrats. With the Democratic Party \$15 million in the red, it is not all that surprising that many Democratic lawmakers chose to stand with organized labor rather than with the president because they are mindful that unions have become the largest donors to Democratic congressional campaigns.

"The Democratic Party is bankrupt, everyone knows that, and the only money these guys can get is from the unions," said Thomas Donohue, president of the U.S.

Chamber of Commerce.

For John Sweeney, the fast-track fight was his biggest triumph by far since he took the AFL-CIO's helm two years ago on a platform of reviving union power both in Washington and at the bargaining table. The victory was especially sweet for Mr. Sweeney after he lost a huge political battle last November — the AFL-CIO's \$35 million campaign to help Democrats regain control of Congress.

"This is really a big win," Mr. Sweeney said. "We can't lose sight of what it was all about in terms of the eco-

nomic vulnerability that so many people are experiencing with this recovering economy. That's where the White House missed the boat. Ordinary Americans oppose fast track. They worry that while the economy is booming most of the rewards are passing them by."

Republican House leaders, who supported Mr. Clinton's position on fast track, were quick to explain their defeat by citing the clout of union money.

Before the Democrats lost control of the Congress, business political action committees were stuffing campaigns with money. \$25.2 million in 1993-94. But in 1996, they gave only \$16.7 million to House Democrats, while labor political action committees stepped up their giving, from \$31.8 million in 1994 to \$36.8 million in 1996.

"Money follows power," said Larry Makinson, deputy director of the Center for Responsive Politics. "When all that business money was coming in, Democrats were happy to be part of the country club set. Now they've come home to labor."

"With fast track, the Democrats were reminding themselves where they came from since their new suitors walked out of the door with the Republicans."

Besides its debt, the Democratic Party was defeated and badly outspent by the Republicans in important contests in Virginia, New York and New Jersey earlier this month. Although the Democratic Congressional Campaign Committee is having a successful year (having raised more than \$10 million), Democratic candidates are nervous about their party's ability to fully finance House contests next year in the mid-term elections.

Some of the Democrats' business "soft money donors," the wealthy individuals and corporations whose donations fall outside the federal election laws, have been scared off by the campaign finance imbroglio. Unions, however, have continued to give generous soft-money donations to the Democrats.



SALUTE — Vietnam vets paying respects at women's memorial in Washington.

AMERICAN TOPICS

Hospital Mergers Worry Family-Planning Advocates

Across the country, a growing number of hospitals and other health-care institutions, facing financial pressures, are joining forces with Roman Catholic organizations. The trend has raised deep concerns among family-planning advocates, because the non-Catholic organizations have had to stop offering contraceptive counseling, abortions, tubal ligations and vasectomies.

From 1990 to 1995, there were 57 of these mergers or alliances with Catholic hospitals, reports The New York Times. Last year, there were 29, a sharp increase. In one such case last year in New York, Northern Dutchess Hospital and Kingston Medical Center merged, then the two formed an alliance with Benedictine Hospital, a Catholic competitor. "We are doing this for the survival of all three hospitals," said Anthony Marmo, chief executive of Kingston Hospital. "It makes business sense."

But with the Catholic Church already the largest nonprofit health-care provider in the country — it accounts for one in six of all hospital admissions — family-planning advocates and women's groups fear women's options will shrink. "We're talking about everyday reproductive care, like contraception," said JoAnn Smith, executive director of Family Planning Advo-

cates of New York State. "We're talking about adequate HIV and AIDS counseling. We're talking about the morning-after pill for rape victims."

The Catholic health-care organizations, for their part, make no apologies. "Our beliefs are our beliefs," said Thomas Doe, chief executive officer of Benedictine. "Hospitals may choose not to join with us as a result, but our belief system is firm."

Short Takes

After five years of meetings between National Park Service employees and representatives of 24 Indian tribes around Mesa Verde National Park in Colorado, the park is amending its tourist publications to reflect a better understanding of tribal traditions and beliefs. One term being struck is "Anasazi," which in Navajo means "ancestral enemies," but which other tribes, descended from those "enemies," say is offensive. It will be replaced by "ancestral Puebloans." The ancestral Puebloans, in turn, will no longer be called an "ancient" people because, tribal representatives pointed out, their structures might have been ancient but the people were not. The term "early" people is preferred.

Interest in the nation's wars always flares briefly around Veterans' Day, which was Tuesday, but increasing interest in the Vietnam War is being shown year-round. Last year, 351 college faculty members were teaching courses on the Vietnam era, nearly twice the 157 who were doing so in 1986. The number of books with Vietnam in their titles reached 140 last year, up from 28 in 1980.

Brian Knowlton

POLITICAL NOTES

Muzzling the Whistle-Blowers

WASHINGTON — A House-Senate conference committee dropped a provision from the \$27 billion fiscal 1998 intelligence authorization bill that would have allowed employees of the CIA and other agencies to disclose classified information related to violations of law or other wrongdoing to members of Congress without the approval of their bosses.

The whistle-blowers provision was opposed by the administration, which said it would violate the president's authority to determine what classified information executive branch employees can disclose to Congress.

Supporters of the conference bill, which passed the Senate last Thursday and the House the next day, said they agreed with the White House position that the president had the authority to protect national security information. But they said that hearings on the matter would be held next year to come up with "appropriate legislative solutions" to preserve elements of the whistle-blower provision. (WP)

Senator X Strikes Again

WASHINGTON — After the Senate voted last month to require public disclosure when senators put "holds" on bills or nominations, it seemed too easy to be real. It was.

By the time the Senate voted late Sunday on the final version of the legislation to which the proposal had been attached, the disclosure requirement was missing in action, stripped from the bill by unseen hands in the frenzied struggle to wind up work and adjourn for the year.

Or, as Senator Ron Wyden, Democrat of Oregon, one of its chief sponsors, put it, the proposal to end secrecy on holds — and shine some light in one of the Senate's darkest corners — was killed in secrecy, just as many lawmakers suspected would happen.

Senator Wyden made a final attempt Sunday to revive his initiative but was blocked by Senator Ted Stevens, chairman of the Appropriations Committee, who said he sympathized with his goal but suggested that Senator Wyden find other ways of accomplishing it. "Hide-and-seek lawmaking," Senator Wyden calls it. (WP)

Quote/Unquote

Representative William Pascrell Jr., a first-term Democrat from New Jersey, on Representative Richard Gephardt's successful opposition to "fast-track" legislation backed by Vice President Al Gore: "Dick Gephardt's stock has risen tremendously. Gore came into my district to campaign for me, but having seen how the administration operated on this issue, I have some serious questions. Gephardt is a bridge-builder; Gore is caught up in 21st-century macroeconomics." (NYT)

Away From Politics

• Lawyers began sorting through a huge pool of 600 prospective jurors, seeking 12 for the trial of the Unabomber suspect, Theodore Kaczynski, in Sacramento, California, in a process that could take a month. (AP)

• A drug that lowers blood cholesterol levels — Pravachol, sold by Bristol-Myers Squibb — reduced deaths among people who had suffered heart attacks or chest pains by 23 percent, researchers in Florida said. (Reuters)

• Sixty-four people, most in wheelchairs, were arrested after chaining themselves to a White House fence to back calls for home health care, the U.S. Park Police said. (AP)

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ASIA/PACIFIC

Li Tells Japan To Steer Clear Of Quarrel Over Taiwan

TOKYO — China's prime minister, Li Peng, told Japanese parliamentarians Wednesday that Tokyo should stay out of potential quarrels between China and Taiwan.

But Mr. Li's stern advice on Taiwan was the only rough spot in a visit by the prime minister that is shaping up as one of the most cordial China-Japan meetings of recent times.

On the second day of a six-day visit, Mr. Li also met Emperor Akihito and Empress Michiko and held talks with the leaders of Japan's political parties.

Mr. Li delivered his warning on Taiwan in a meeting with Takako Doi, head of Japan's Social Democratic Party. Party officials said Mr. Li raised the issue of Taiwan in a discussion about new guidelines for U.S.-Japanese military cooperation, which have irritated China because they do not specify a geographical limit to military operations. In the past, operations were confined to direct threats to Japan.

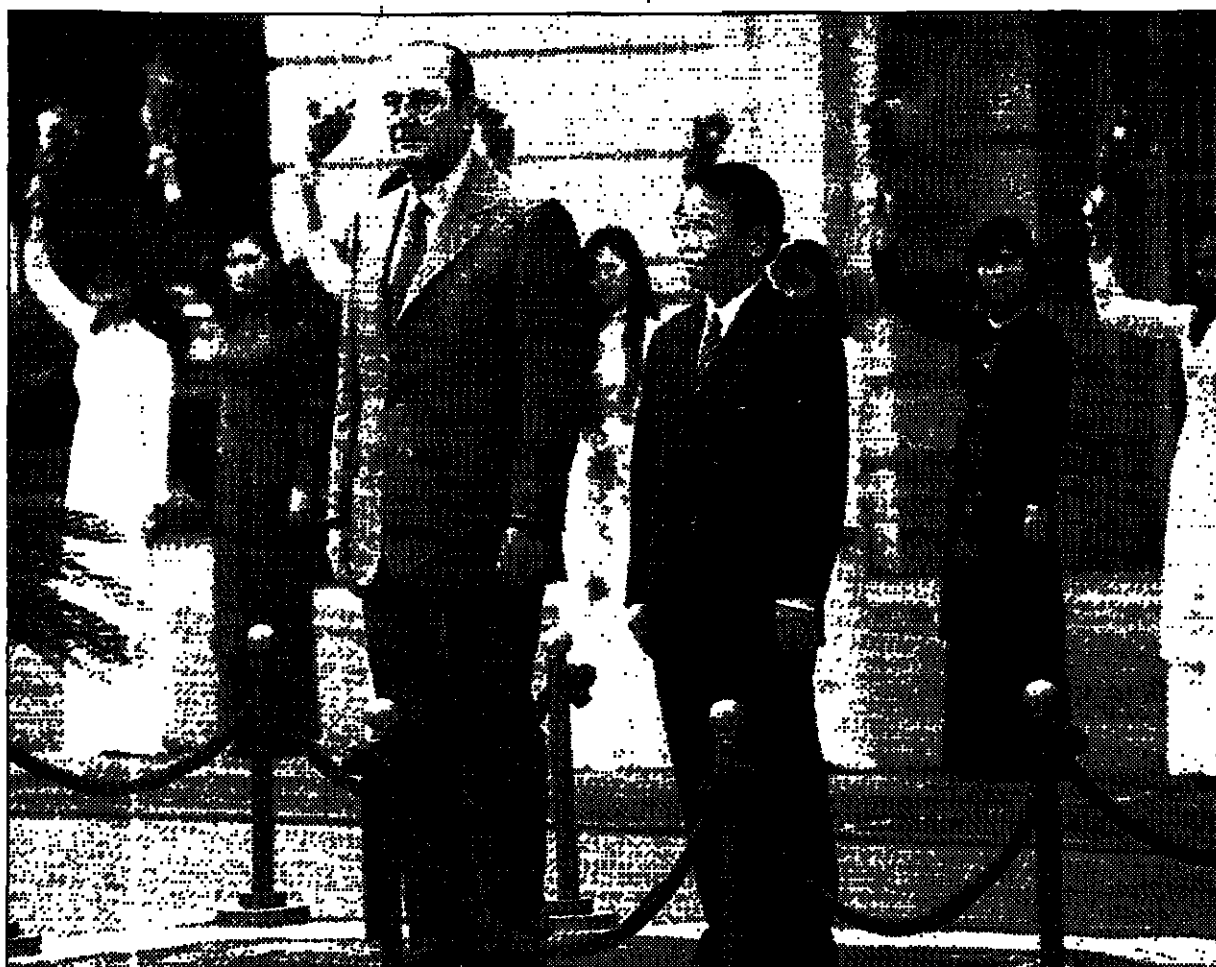
"I did not receive a firm verbal commitment from Prime Minister Hashimoto that Taiwan was out of the picture," Li said in the defense pact, the officials quoted Mr. Li as saying.

China says the new agreement gives Japan the leeway to interfere in conflicts between China and Taiwan across the Taiwan Strait. China considers Taiwan a breakaway province.

Mr. Doi did not directly reply to Mr. Li's comment about Taiwan.

"The peace and stability of Asia depend on stability on the Korean peninsula," the officials quoted Mr. Doi as telling the Chinese prime minister.

Mr. Doi's Social Democrats are in a loose alliance in Parliament with Mr. Hashimoto's ruling Liberal Democratic Party.



Jacques Chirac and Tran Duc Luong on Wednesday in Hanoi, where the French leader discussed human rights.

Chirac, in Hanoi, Urges Reforms

HANOI — French leaders urged the Communist government of Vietnam on Wednesday to push forward with economic reforms and to release about 40 political prisoners. The two countries also agreed on business deals worth more than \$700 million, and the contracts were signed during the first day of a state visit by President Jacques Chirac.

Mr. Chirac met with the top three leaders of the country as well as leading French and Vietnamese executives.

Mr. Chirac discussed human rights with the newly elected president, Tran Duc Luong. At Mr. Chirac's request, Foreign Minister Hubert Vedrine handed a list of some 40 political prisoners to his Vietnamese counterpart, Nguyen Manh Cam.

France is seeking "clemency" for the prisoners, French officials said, and among the names was that of the writer and journalist Doan Viet Huan, a symbol of dissidence here after being sentenced to 15 years in prison in 1993.

Mr. Chirac paid tribute to the efforts to open up the Vietnamese economy since the start of economic reforms 10 years ago, pledging France's support for continuing progress and hailing Vietnam as France's "natural gateway to Asia."

But addressing a lunch of executives from both countries, he acknowledged the frustrations experienced by many

foreign investors here who find themselves lost in red tape.

He said he had urged Vietnamese leaders "to simplify the working conditions for companies that want to set up here."

In talks with President Tran Duc Luong, Mr. Chirac said he had stressed "the importance of a clear, stable legal framework and simpler, swifter procedures."

He raised the issue again during an hour of discussions with the head of the Communist Party, Do Muoi, a spokesman for the French presidency said.

Mr. Muoi acknowledged that French industrialists had repeatedly called for greater flexibility in the administration and a strengthening of the banking system, the spokesman said, adding that the general secretary had stressed Hanoi's intention to "remedy" these problems.

France is the top European exporter to and investor in its former colony, and two-way trade totaled about \$950 million last year.

Cabinet in Malaysia Blasts U.S. Resolution

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad's cabinet on Wednesday condemned a resolution in the U.S. Congress that urges him either to apologize for remarks he allegedly made about Jews or to quit.

Deputy Prime Minister Anwar Ibrahim said Mr. Mahathir's cabinet strongly objected to the resolution, introduced last month in the U.S. House of Representatives.

The resolution, introduced by three legislators, calls on Mr. Mahathir "to apologize and acknowledge the destructive and divisive nature of his words, or as an alternative, resign as the prime minister of Malaysia."

Mr. Mahathir drew criticism from Jewish groups and the United States in October, in the wake of East Asia's currency crisis, after he was quoted as saying the government suspected that Jewish groups had an agenda to block the progress of Muslims around the world. Mr. Mahathir later said he had been misinterpreted.

"While we appreciate the fact that countries, individuals or groups reserve the right to make comments, even criticism, the cabinet feels the tone of the resolution and of the letter has exceeded the norms of diplomatic

engagement and transgress what we would call polite dissent," Mr. Anwar said.

"We therefore regret the draft resolution and the letter sent to the prime minister, and object very strongly to the contents," he said, referring to a letter signed by 34 congressmen and sent to Mr. Mahathir on Oct. 27.

U.S. officials said no congressional committee had yet taken up the non-binding resolution, which also calls on the United States and Malaysia to strengthen bilateral cooperation.

Mr. Anwar said he would introduce a motion of confidence in Parliament supporting Mr. Mahathir, 71, whose leadership has been tested by the regional economic crisis that has dragged down stock prices and the currency.

"I would like to reiterate our total confidence and support in the leadership of our prime minister," Mr. Anwar said, speaking after a weekly cabinet meeting.

Mr. Mahathir said on Tuesday his position was secure.

"If there is anyone here from Time and Newsweek, please convey to them that I am more firmly in my seat as a result of their suggestion for me to step down," he said, referring to recent articles in the U.S. magazines.

U.S. Typhoon Aid Arrives in Vietnam

HANOI — A U.S. Air Force transport plane landed Wednesday in southern Vietnam with more than \$460,000 in food, medicine and other aid for typhoon victims.

The emergency supplies are part of the first major U.S. donation to its former enemy since the 1975 fall of Saigon, renamed Ho Chi Minh City after the communists captured the former capital of South Vietnam.

The U.S. C-141 landed in Ho Chi Minh City after a flight from a U.S. military base in Okinawa.

Tens of thousands of families are still homeless after the typhoon designated Linda slammed into the provinces of Ca Mau and Kien Giang this month. (AP)

UN Ponders Policy On Women in Kabul

KABUL — The United Nations' special adviser on gender arrived in Kabul on Wednesday to advise UN agencies on how to reconcile a commitment to equality with the strict Islamic policy on women followed by the Taliban militia.

Assistant Secretary-General Janet King said the world body was committed to women's rights, but UN agencies in Afghanistan had found it hard to apply such principles because of the Taliban's stance.

"The agencies have not found it very easy to interpret exactly how they could implement the principles from a gender point of view," Ms. King said. "I am here to assist agencies to give practical implementation to these principles." (Reuters)

Cambodia Unready For Vote, Aide Says

PHNOM PENH — Cambodia may have to postpone a general election planned for May as it runs out of time for preparations, a senior government official said Wednesday.

The co-interior minister, Sar Kheng, who is overseeing arrangements for the election, said the government needed eight months to complete preparations for the votes. Cambodia's first since a UN-run election in 1993.

"I am very concerned that the election will not be held on time on May

23," Sar Kheng told reporters at the National Assembly. (Reuters)

East Timorese Mark Slaying of Protesters

JAKARTA — Hundreds of East Timorese prayed outside the university in the capital, Dili, on Wednesday to mark the anniversary of the 1991 killings of at least 50 demonstrators in the territory.

Residents and police said there were no reports of trouble apart from a brief scuffle with the police.

Indonesian troops killed 50 demonstrators on Nov. 12, 1991, following a funeral for an anti-Indonesian activists in Dili, according to an official report. (Reuters)

Taiwan Adds Death To Anti-Gun Penalty

TAIPEI — Parliament has approved the death penalty for gun-toting criminals, toughening already strict gun laws in the face of a public outcry over violent crime.

Under a bill passed late Tuesday, death sentences could be ordered for people convicted of possessing guns; or other weapons with an intent to commit a crime.

The action came as the ruling Nationalist Party was campaigning hard to win in mayoral and county elections scheduled for Nov. 29. The government lost key races to the opposition in the last such elections, four years ago. (AP)

Pakistani Leader Summoned to Court

ISLAMABAD, Pakistan — The Supreme Court on Wednesday formally summoned Prime Minister Nawaz Sharif to appear and explain his position in a contempt of court suit, the latest twist in a government-judiciary dispute.

Mr. Sharif and 11 other respondents, including eight members of Parliament, three newspapers and the state television network, have been accused of bringing the court into disrepute.

The official APP news agency quoted court sources as saying the court had the power to exempt Mr. Sharif from appearing personally next Monday but did not say if he or any other defendant would be allowed to stay away. (Reuters)

Court Halves Damages Awarded Singapore's Leaders

SINGAPORE — Singapore's Appeals Court on Wednesday cut by almost half the damages awarded to the country's leaders for libel by an opposition politician.

In a 77-page judgment, the court reduced the awards to 4.53 million Singapore dollars (\$2.89 million) from 8.08 million dollars, which was the largest sum ever given in a Singapore defamation case.

Prime Minister Goh Chok Tong and 10 of his colleagues sued Tang Liang Hong, the opposition figure, after Mr. Tang filed police reports against them. In the reports, Mr. Tang accused them of lying when they called him an "anti-Christian Chinese chauvinist" during the campaign for elections on Jan. 2.

The court ruled Wednesday that the totality of the awards "has become overblown and is hugely disproportionate to

the aggregate harm and injury caused." Mr. Tang was an unsuccessful candidate for the Workers' Party in the election.

Mr. Goh and other members of the ruling People's Action Party accused Mr. Tang of threatening the harmony of multiracial Singapore, which has a majority ethnic Chinese population but significant minorities of Malays and Indians.

The Appeals Court rejected an argument by Mr. Tang's British lawyer, Charles Gray, that the suits were "thoroughly political in their complexion."

But the court ruled that the awards against Mr. Tang were "highly excessive" and involved "double or multiple countings" given the large numbers of suits and plaintiffs involved in the trial.

The People's Action Party won 81 of

83 parliamentary seats at the election. Mr. Tang fled Singapore, saying he feared for his life. He has not returned, and was unrepresented for parts of the case.

Comments Mr. Tang made before and after the election were also elements in the court case. The total of 4.53 million dollars includes 900,000 dollars already paid by publishers of some of the libels.

INTERNATIONAL

Kenya Announces Elections for Dec. 29

By James McKinley Jr.
New York Times Service

NAIROBI — Ending months of speculation, the Kenyan electoral commission announced Wednesday that general elections would be held on Dec. 29.

The announcement kicked off what most analysts predict will be a short and lopsided contest favoring the longtime president, Daniel arap Moi.

Opposition leaders, who are splintered along tribal lines, immediately cried foul. They accused Mr. Moi's allies on the commission of rushing the vote to give challengers less time to campaign or to take advantage of recently passed reforms aimed at leveling the political playing field here.

Although, under the Kenyan constitution, the elections must be held before the end of the year, some opposition leaders in Parliament said they had received assurances that the government would delay the voting until next year in light of the reforms. The president made this promise, they said, to win the support of several key opposition leaders for his legislation.

"This was actually a betrayal of the agreement," said Martin Shikuku, an opposition leader who intends to run for president. "It favors the president and disadvantages the opposition. Since 1992, we haven't been able to have public meetings, while he has been running around everywhere."

Mr. Moi, 73, has been in power since 1979 at the head of the ruling Kenya African National Union party.

Over the years, he has steadfastly resisted every step to make Kenya more

democratic, only allowing open elections and multiparty politics in 1992 after heavy international pressure was brought to bear. He won that election with about 38 percent of the vote, largely because the opposition was unable to unite behind a single candidate.

This year, however, Mr. Moi and his allies in Parliament were under pressure to pass a series of political reforms intended to ensure fairer elections after a summer of pro-democracy demonstrations and clashes between security forces and opposition supporters.

The reforms scrapped several repressive colonial-era laws that gave Mr. Moi sweeping powers to break up political rallies, ban certain parties and jail his opponents without trial.

They also expanded the country's electoral commission from 11 to 21 members to give opposition parties the 10 new seats and mandated that the state-owned broadcast media give equal time to challengers.

On paper, the reforms are laudable, diplomats say, but it remains to be seen if local officials, all stalwarts from the governing party, will follow the new rules in practice, since for years they have been encouraged to use their powers to harass opponents and ensure that the ruling party wins.

"The people in power have been used to operating under these rules in a way that makes the local authorities appendages of the ruling party," one diplomat said, insisting on anonymity. "Whether by some miracle they can change overnight is unclear."

Heavy-handed tactics are hardly needed for Mr. Moi to

win, however. His main opponents all come from different ethnic groups in Kenya's divided society and none can command a majority, political analysts said.

The main challengers are Mr. Shikuku, Charity Ngunjiri of the Social Democratic Party, Raila Odinga of the National Development Party, Mwai Kibaki of the Democratic Party and Michael Kijana Wamala, who represents different factions of the old Forum for the Restoration of Democracy.

Still, Mr. Moi, who comes from the tiny Kalenjin tribe, has proved a master at building coalitions and can depend on at least 40 percent of the vote drawn across the board from various tribes.

The only hurdle he faces is a constitutional provision that the president must win a quarter of the ballots in five of the nation's eight provinces, analysts said.

Since the field is so crowded with politicians from the Luo, Luhya, Kikuyu, and Akamba tribes, there is a slim chance Mr. Moi will not get 25 percent of the vote in four heavily populated districts where those groups have a majority.

That would force a runoff, which opposition leaders hope will force voters disenchanted with Mr. Moi to unite.

A more likely outcome, diplomats say, is that Mr. Moi will trounce the challengers.

Foreign aid and loans from international lending institutions considered critical to the nation's struggling economy will probably hinge on whether Mr. Moi and his aides can convince the world that Kenya has become truly democratic, diplomats said.

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EUROPE

Blair Tries to Douse Fire Over Funds

A Campaign Donor Won Tobacco Ad Exemption for Auto Racing

By Dan Balz
Washington Post Service

LONDON — The government of Prime Minister Tony Blair is scrambling to limit the damage from a political controversy brought about by a \$1.65 million campaign contribution from an auto racing promoter whose sport recently earned an exemption from a proposed ban on tobacco advertising.

Government spokesmen insisted there was no relationship between the campaign cash and the subsequent policy reversal. But Labour Party officials announced they would return the contribution on the advice of the head of an advisory committee on public ethics, which said it raised the appearance of a conflict of interest.

The donation, which equaled the largest single contribution the Labour Party received during last spring's elec-

tion campaign, came from the president of the Formula One Association, Bernie Ecclestone, a businessman who is credited with expanding the popularity and profitability of grand prix racing. Last month, Mr. Ecclestone and other auto racing leaders met with Mr. Blair to lobby against the proposed advertising ban.

The controversy over the policy reversal and campaign donation has embarrassed Mr. Blair and the Labour Party, which sharply attacked the ethics of the then-ruling Conservative Party during the last campaign and promised to clean up politics if elected. The prime minister's office has asked the Committee on Standards in Public Life to open a broad review of how political parties are financed.

There are no limits on the amount of money national parties are allowed to raise, nor are there disclosure requirements. The Labour Party has a voluntary

policy of disclosing the names of those who contribute more than \$8,330, but not the amounts.

The controversy over the tobacco ad policy has been building for some time. During the election campaign, Labour pledged to ban tobacco advertising as part of its anti-smoking drive. Once in office, officials reiterated that pledge, although the health minister said that certain sports, which depend heavily on tobacco ads for revenue, might need a phase-out period.

Last week, the government outraged anti-smoking activists by announcing that its new policy would exempt Formula One racing, a lucrative and extremely popular sport here. The decision also angered other European countries, which have been moving toward a Europe-wide ban on tobacco advertising.

Officials argued that the ban could force the racing industry to shift its competitors from Europe to Asia.



Mr. Blair speaking on the finance issue in the Commons on Wednesday.

Retooling Britain for the 21st Century: It's 'Cool Britannia'

By Warren Hoge
New York Times Service

LONDON — It's the new and improved Britain!

Britain, the spin doctors in Prime Minister Tony Blair's government say, is being "rebranded."

Out are scenes of village cricket, tea and scones, baronial castles, Beefeaters, grouse hunts on heathery moors, ceremonial celebrations in wigs and tights, tepid amber ale and Union Jacks flustering triumphantly.

In are images of pulsing telecommunications, global business transactions, information technologies, buccaneering entrepreneurs, a sensitized monarchy, bold architecture, cheeky advertising, daring fashion, Britpop music, night clubbing — anything, in short, that is youthful, creative and, in the word most uttered by the leaders of this updated land, modern.

The government tourist agency has supplanted "Rule, Britannia!" with "Cool Britannia." The adjective "royal" increasingly makes way for the cozier "people's." A word Mr. Blair recently used 27 times in a single newspaper interview.

Decades ago, it was the Beatles and Carnaby

Street that showed the world that Britain wasn't as fuzzy as often portrayed. This time, the style offensive is being undertaken by the new Labour government at the suggestion of Demos, a social policy research center close to Mr. Blair, which recommended last month that it was time to "rebrand" Britain as "one of the world's pioneers rather than one of its museums."

Mr. Blair, who is 44, commented: "The image of Britain, which used to be bowler hats and pinstriped trousers and very old-fashioned and very stuffy, has been replaced by something far more dynamic and open and forward-looking. That's how my generation feels — that I'm proud of my country's past, but I don't want to live in it."

Continued use of the tall bearskin hats used by smart-stepping guards since the Battle of Waterloo has come under question from animal rights protesters, and the Defense Ministry says it is looking into synthetic furs.

There is a move afoot to replace the London bobby's helmet with a sloping, visored cyclist's polystyrene and plastic hard hat and the stiff polycarbonate with a more supple model called an "American-style jeep jacket." Manchester made the switch early this year, and one officer told The

Manchester Evening News that he was regularly mistaken for a security guard, a gas meter reader or a parking lot attendant.

The famous red double-decker buses are under attack from safety experts at the European Union because of the dangers of stepping on and off the open back platform. Another red symbol, the boxes in which parliamentary leaders have transported documents for 250 years, are being replaced by black crates. Security is given as the reason.

Lord Irvine of Lairg, who is now the lord chancellor, says he wants to discard his 17th-century costume of full-bottomed wig, silk tights and buckled shoes for a simple black academic robe.

Relaxed dress habits also penetrated another redoubt of British tradition this week. There was a time when BBC announcers were obliged to broadcast in black tie even on the radio.

Mr. Blair put his government's rebranding exercise to the ultimate vogue test last week when his guests for a summit meeting in London were President Jacques Chirac and Prime Minister Lionel Jospin of France.

There were no Grenadier Guards, no meetings at 10 Downing Street, no banquets in the great rooms of Lancaster House. Instead, the two French leaders

found themselves on the 38th floor of the Canary Wharf Tower, a sleek building that is London's tallest, in the rejuvenated Docklands, which is rapidly replacing the City as Britain's financial center.

They met in rooms of minimalist starkness, with clusters of buffed suede sofas and blond ash tables on zinc-wrapped ferroconcrete legs, works of some of the city's most innovative young designers.

Out the carpet-to-ceiling windows was a panoramic view of a derelict spit of land bristling with cranes that is the construction site of the \$1 billion Millennium Dome, the vast exhibition space on the Greenwich meridian that Mr. Blair has said will be a totem of national prestige in the next century.

Mr. Chirac had a diplomatic response to the style offensive. "I am impressed by what I have seen both at ground level and at higher altitude," he said. "It all gives an image of a young, dynamic and modern England, and I like it a lot."

Others closer to home have been less polite. Not surprisingly, the "rebranding" of Britain has been condemned by the opposition Conservatives.

"It's a silly phrase," said Douglas Hurd, a former foreign secretary. "A government is not an advertising agency. Most of the things we are good at are rooted in the past."

JOB: Shorter Workweeks Create Tension

Continued from Page 1

stream says, with cuts in pay, if necessary, and above all with an eye to increasing a company's productivity.

But those to the left say governments must require employers to redistribute work, after shortening hours, to create jobs. Otherwise, they argue, the exercise only serves to cement the privileges of existing employees.

France and Italy are tending toward a system that would not require new hiring. Instead, the government would merely provide incentives to add workers, through tax breaks, perhaps, or subsidies toward the social security and health costs of new employees.

As the debate rages on, more and more companies, like Bonfiglioli, say they can't wait for a resolution. Growing into the role of multinational players, they have an immediate need to deal with surges and declines in the global economy, and one way is to be flexible with hours.

In short, the goal for these companies is not social engineering, but corporate re-engineering. Mr. Nasseti is working less but arguably harder, getting the wear and tear of an ever-changing schedule. And while Bonfiglioli did some hiring, that was only because there was more demand for its products.

In arguing against legislation to force lower hours on a company without allowing other changes in work rules, Miss Bonfiglioli said, "Reducing hours only makes sense under conditions of greater flexibility."

The twists and turns of the debate are all on display at Bonfiglioli. Since it negotiated a deal with its unions to cut the hours of Mr. Nasseti and his colleagues, its payroll has grown to 930 from 863.

Such results make proponents of shorter hours exult. Nerio Nesi, the economic spokesman of the Refounded Communist Party, which demanded and got the pledge of a national law mandating a 35-hour week, cites his party's slogan, "Work for everyone, by working less."

Companies can pay for the extra employees, he said, by dipping into profits. Miss Bonfiglioli begs to differ.

In 1995, her company found itself with a sudden surge in demand for its sophisticated gearboxes and motors, as sophisticated economies around the world emerged from recession and sales of the automobiles, farm tractors and other machinery that contain gearboxes jumped. Last year, the company, which was founded in 1956 by Miss Bonfiglioli's father, Clementino, had sales of \$207 million, against \$98 million five years ago.

The sharp rise in orders presented the company with some difficult decisions.

More overtime, the classic recipe for bolstering production, was prohibitively expensive, with metal workers in the company's seven factories pocketing 25 percent bonuses for overtime on Saturdays and 50 percent on Sundays. Building a new factory was risky: If demand fizzled, Bonfiglioli would be stuck with a surplus plant and staff.

By winning the right to move Mr. Nasseti and others around to night and weekend shifts as production needs dictated — and without having to pay them at overtime rates for the privilege — the company greatly increased output with a minimum of additional employees.

Changes like these largely reflect the new realities of doing business on a global stage. Faced with the vagaries of international markets, many European companies are trying to find ways to be responsive without incurring excessive fixed costs. The goal is to create so-called breathing factories, in which production expands and contracts with de-

mand, like a living organism.

Companies in the United States, of course, went through similar adjustments in recent years as they cut millions of jobs, switching instead to contract workers and outsourcing to remain competitive. But in Europe, with rigid social structures, strong labor unions and far higher unemployment, the pressure to achieve flexibility is even greater.

Indeed, Miss Bonfiglioli acknowledges she was only copying a model for cutting working hours that was created in Germany several years earlier by Volkswagen AG, the largest automaker in Europe. At that time, VW faced the possibility of having to lay off about a third of its work force in Germany, or about 30,000 people, as an aging product line and the European recession combined to hollow out demand.

To avoid the huge layoffs, Volkswagen negotiated a complex package in 1993 with the powerful metal workers' union to cut the average workweek to less than 29 hours — from 36 hours — distributed over four days. In return, the union agreed to wage reductions of up to 15 percent.

VW saved 20,000 of the 30,000 jobs, but in exchange it got the right to increase the workweek to as many as 35 hours without paying overtime. Now, revived European economies and a renewed product line have caused demand to soar.

Peter Hartz, Volkswagen's chief of personnel and architect of the plan, says he wants to extend the program to all 280,000 VW workers around the world.

The model has found emulators elsewhere in Germany. In Munich, Bayerische Motoren Werke AG operates its factories on similar principles, based roughly on a four-day week. Siemens AG, the electrical and electronics conglomerate, was able to save 5,000 jobs at one factory with a similar deal.

What animates the left's drive for shorter hours, say experts like Aris Accornero, a professor of industrial sociology at Rome University, is the conviction dating back to Karl Marx and other classical leftist theoreticians that "life, in effect, begins after work." His torically, however, Mr. Accornero said, the proposal to reduce workweeks has been "the daughter of desperation, not of hope."

In the Great Depression, the Geneva-based International Labor Organization broached the idea of shorter workweeks, and in France, the leftist government of Leon Blum implemented it, slashing work hours to 40 from 48. Mr. Accornero said. In the United States, socially innovative companies like Kellogg Co., the cereal maker, experimented with a 36-hour week.

Yet rarely do shorter hours result in more jobs, he said. Indeed, to regain productivity lost by shorter hours at equal pay, companies usually respond with better organization of work, which often means more stress for the remaining employees and more automation, which further reduces jobs. Volkswagen's experience bears this out.

"We got jobs, at the price of more intensive work," said Hans-Juergen Uhl, secretary-general of the workers council at VW's main German plant, in Wolfsburg. "There is a subjective feeling of increased performance, and the work force will continue to drop."

Thanks to new manufacturing technology, said Hans-Peter Blechinger, a company spokesman, VW's new Golf compact takes 20 hours to build, against 30 to 33 hours for the outgoing model. "In the medium term, we foresee a drop in employment because of productivity improvements," he said.

Not Just 9 to 5

Faced with high unemployment, some European countries have been debating whether to reduce the workweek in hopes of creating more jobs. But a few companies in Europe, seeking more flexible schedules to reduce costs and improve productivity, are achieving the same goal for different reasons, adding to conflicts among labor, business and government. All figures are for 1996.

Britain	France	Germany	Italy	U.S.
Average weekly hours worked in manufacturing	Average weekly hours worked in manufacturing	Average weekly hours worked in manufacturing	Average weekly hours worked in manufacturing	Average weekly hours worked in manufacturing
35.6	31.7	29.0	35.0	37.9
Average total hourly compensation for production workers	Average total hourly compensation for production workers	Average total hourly compensation for production workers	Average total hourly compensation for production workers	Average total hourly compensation for production workers
\$14.19	\$19.34	\$31.87	\$18.08	\$17.74
Unemployment rate	Unemployment rate	Unemployment rate	Unemployment rate	Unemployment rate
15%	15%	15%	15%	15%

Sources: Bureau of Labor Statistics; DRI/McGraw-Hill

Italy's Di Pietro Factor Off to a Fine Start in Politics

By Celestine Bohlen
New York Times Service

ROME — First there was Antonio Di Pietro the hero, the dashing young member of Milan's zealous team of public prosecutors who became a national star in the early 1990s for his role in exposing the rot and corruption in the Italian political system.

Then there was Antonio Di Pietro the martyr, a role he assumed after his sudden, and still mysterious, resignation as prosecuting magistrate in December 1994 and after he, too, came under investigation on allegations of abuse of public office.

But now charges against him were dropped for lack of evidence, the way opened for his latest incarnation: Antonio Di Pietro the politician, who won a seat in the senate on Sunday with 67 percent of the vote in a three-way election in the hilly Tuscan countryside outside Florence.

The Di Pietro factor has been lurking in the background of Italian politics ever since the 47-year-old prosecutor

established himself as one of the country's favorite characters — a former policeman with a brazen charm and a "get tough" message, who usually appears in dark glasses, a cellular phone to his ear, surrounded by bodyguards.

For several years, the puzzle was over which side of the political spectrum Mr. Di Pietro would honor with his persistently high popularity ratings.

His own political beliefs tend to the right, but his long-standing confrontation with Silvio Berlusconi, the leader of Italy's center-right coalition and a frequent target of the Milan prosecutors, remained a serious obstacle.

When he was offered the chance to run for the vacant senate seat as the candidate of the governing center-left alliance, Mr. Di Pietro accepted.

Now that he has won, opinion is divided over whether the victory belongs to him or to his new allies in the Olive Tree coalition, headed by Prime Minister Romano Prodi.

Certainly, his addition to the coalition's lineup — which already includes centrist Catholics and former Commu-

nists — is bound to broaden its political appeal by drawing in those voters who think Mr. Di Pietro is the man to finish the task of cleaning up Italian politics.

But some political experts predict that he will not feel bound by his allies' ambitions.

"Di Pietro is convinced that he has a political constituency that is his own, that the vote in Tuscany was just a sample of his national popularity," said Sergio Romano, a political commentator. "He sees this as his political capital, and he is not going to give it away, but will try to use it for his own end."

Just what that end might be is Italy's latest political puzzle.

Many are convinced that Mr. Di Pietro sees himself as a future president, once that post becomes directly elected by the voters.

Now, members of Parliament, not the voters, elect the president, a position that is largely ceremonial. But a proposal to give voters a direct say is pending before Parliament, part of a package of constitutional changes to be debated in the next year.

Whatever his future role, Mr. Di Pietro's formal entry into politics has already created waves. Within the right-wing coalition, some blamed Mr. Berlusconi for his coalition's humiliating defeat at the polls Sunday and implicitly for allowing a political star like Mr. Di Pietro to drift into the rival camp.

Among his allies, there is concern that Mr. Di Pietro may try to create his own parliamentary party, or even challenge Mr. Prodi for the leadership of the Olive Tree alliance. Within hours of his victory, Mr. Di Pietro was vowing to use his influence to free the coalition of its dependence on the Refounded Communist Party, a small group of hard-line leftist that engineered a recent government crisis.

Mr. Di Pietro, who has been accused of overly histrionic performances during his career, was clearly savoring the suspense.

"I am the only one who doesn't know what I am going to do," he said. "I started reading the papers today, but then I had to stop because everybody is asking themselves what will Di Pietro do."

BRIEFLY

Prosecutor Keeps Papon on Stand

BORDEAUX — The prosecution continued to question Maurice Papon on Wednesday in the trial of the former French minister for crimes against humanity during World War II.

The prosecutor, Marc Robert, is seeking to establish that as secretary-general of the prefecture in Bordeaux under the collaborationist Vichy government, Mr. Papon was responsible for deporting more than 1,500 Jews to German death camps.

The 87-year-old former minister, who has been on trial since Oct. 8, has denied that the authority to sign documents he received from Bordeaux's prefect, particularly about Jewish questions, amounted to power of attorney.

He has also testified that it was impossible to know at the time exactly what would happen to those deported after they were rounded up by French policemen and sent to Germany. (AFP)

4 in EU Targeted Over 'Mad Cow'

BRUSSELS — The European Union's commission said Wednesday that it was stepping up legal proceedings against Britain, France, Portugal and Spain for failing to put in place controls against the spread of "mad cow" disease.

The commission said Britain was still failing to meet EU veterinary controls in meat plants and refrigerated warehouses. It said London's explanation that it did not have enough veterinary staff was insufficient.

France is still refusing to adhere to standards for treating animal waste designed to block the transmission of mad cow disease, or bovine spongiform encephalopathy, the commission said, and Spain has failed to respond to warnings on meat processing controls. Portugal is being challenged for failing to respect EU law on the disposal and processing of animal waste. (Reuters)

Le Pen Wins Suit

PARIS — A French court Wednesday awarded 40,000 francs to Jean-Marie Le Pen, the extreme-right leader, ruling that he had not made anti-Semitic slurs attributed to him in a recent book.

The publication this year of the book "Le Roman d'un Président" (A President's Story) sparked protest over statements attributed to Mr. Le Pen, including one quoting him as having said that President Jacques Chirac was in the pay of Jewish organizations.

Mr. Le Pen denied that he had said any such thing in the interview he gave to Nicholas Domenach for the book.

The court, after hearing a tape of the interview made by Le Pen aides, said Mr. Domenach "gravely deformed" the content of the interview several times and was guilty of "procedures that violated journalistic ethics." The fine amounts to \$7,000. (Reuters)

CLIMATE: Greenhouse Gases Are Soaring to Levels Not Seen Since the Dinosaurs

Continued from Page 1

impact on the climate can be as significant as nature's."

In the decade since the global warming debate began in earnest, new technology and an enormous amount of new data have narrowed the disagreement on the most important questions surrounding the changing climate.

Two years ago, a panel of more than 2,000 of the world's top climate scientists concluded that the Earth was indeed warming and that the "balance of evidence suggests a discernible human influence" on climate.

Based on that assessment, the United States and more than 150 nations will gather next month in Kyoto, Japan, to try to reach an agreement on curbing the pollutants blamed for global warming.

The bulk of the recent evidence, from rising sea levels and retreating glaciers

to the recent freak storms in the Dakotas, appears to be falling in line with scientists' predictions of what the effects of greenhouse warming would look like.

No other theory can fully explain the range of changes being observed around the globe, say scientists at NOAA and other institutions at the cutting edge of climate research.

But major gaps in knowledge remain, and they continue to fuel scientific sparring in trade journals and on World Wide Web sites. Scientists, for example, still can't produce a "smoking gun" that irrefutably links humans to global warming, which has measured about 1 degree Fahrenheit in the past 100 years. That is still small enough to fall within the range of normal variability for a planet that has lurched in and out of ice ages for millions of years.

But even at current levels, concentrations of greenhouse gases in the at-

mosphere are far higher than at any time since the appearance of modern humans on Earth. By the end of the next century — as the human population doubles again to 11 billion or even more — there will be two to three times as much carbon in the air as 250 years ago if emissions continue to rise at current rates.

"Under business as usual, we'll reach carbon dioxide concentrations that haven't been seen on this planet in the last 50 million years," a Harvard University professor and Nobel Laureate, John Holdren, told a recent White House conference on global warming. "We will have achieved that in the geological blink of an eye, exposing, as we do it, natural systems to a rate of temperature change faster than at any time in the last 10,000 years."

A few scientists maintain that increased precipitation at the poles would lead to larger ice sheets and sub-

sequently lower sea levels. But most models forecast further melting of glaciers and Arctic ice, which could raise the sea level anywhere from a few inches to several feet.

Already, sea level is four to nine inches higher than a century ago. If it climbs by another meter, as some computers predict, thousands of square miles of coastal Florida and Louisiana could be swallowed up, as well as large chunks of Bangladesh and many island nations.

Warmer weather would surely mean fewer deaths from cold and ice. On the other hand, there likely would be more killer heat waves such as the one that killed 465 people in Chicago in 1995.

"If you double the number of people, you stress the resources even more," said NOAA's Mr. Baker. "Add global warming on top of that, and there will be lots more losers than winners."

INTERNATIONAL

Mourning Rabin, Israel Hears Netanyahu Plea

He Urges Soul-Searching and Reconciliation

JERUSALEM — Prime Minister Benjamin Netanyahu called for soul-searching and national reconciliation in Israel on Wednesday at a special session of Parliament marking the assassination two years ago of Yitzhak Rabin, his predecessor.

"I am the first to say that I must, like others, do some soul-searching, hold out a hand and say that we have to move toward dialogue and reconciliation," Mr. Netanyahu told the Knesset.

"We cannot give up political struggle, but we must be less sure of ourselves, less virulent, more open to the ideas of others," he said as Israel held its first official day of mourning, according to the Hebrew calendar, for Mr. Rabin, who was shot by a Jewish rightist.

Ehud Barak, a leader of Mr. Rabin's Labor Party, responded in his address to the Knesset: "I hold out both hands for reconciliation and unity."

The Labor Party accuses Mr. Netanyahu, of the rival Likud, of taking a leading role in virulent anti-government protests that preceded Mr. Rabin's assassination on Nov. 4, 1995, by a young man opposed to the peace process with the Palestinians.

Meanwhile, Mr. Netanyahu tightened his grip on the right-wing Likud bloc

during a three-day meeting of party leaders that ended Wednesday.

But his success left the party more deeply divided than ever, with key politicians threatening to form a breakaway movement and rank-and-file members turning in their party cards.

The revolt was sparked by a vote in the 2,750-member Likud central committee to cancel a system of primary elections to choose the party's candidates for prime minister, Parliament and local government posts for national elections scheduled for 2000.

Political rivals and newspaper commentators said that the decision — approved against the wishes of most Likud leaders — was designed to give Mr. Netanyahu the final say in picking candidates.

That power will allow him to sideline rivals and rein in members of Parliament.

Under the primary system, first adopted for the 1996 elections, candidates were chosen by the 200,000 rank-and-file Likud members.

The new system is expected to put the decision back in the hands of the central committee, which is now controlled by Netanyahu loyalists.

The change is to be adopted within three months.



Prime Minister Netanyahu shaking the hand of Leah Rabin on Wednesday, a day of mourning for her husband.

AU PAIR: Doctors Protest Defense's Claims on Medical Evidence

Continued from Page 1

to start (or re-start) a bleeding that escalated fatally."

The question of whether the baby's bleeding "re-started" was a critical point of the defense.

Barry Schack, one of Ms. Woodward's defense lawyers, said in an interview Tuesday that the defense had concentrated its scientific arguments on two main points: "This was an old injury, but most importantly, there's no evidence of a violent slam or violent shaking, and that shows their murder case is over."

Medical experts for the defense testified that the age of blood clots found in Matthew Eappen's brain appeared to be about three weeks old; that in postmortem photographs, the baby's skull fracture appeared to be knitting together, indicating it, too, was old; that the baby had no neck injuries or obvious bruising when he was

brought into the hospital, indicating he had not been manhandled or brutally shaken; and that a brain scan showed no swelling at the site of the skull fracture, meaning his head could not have been recently slammed against a hard surface.

In essence, then, the defense argued that a relatively mild impact on or around Feb. 4, the day Matthew Eappen was brought to the hospital, could have re-aggravated an old injury and led to the baby's death.

"It's a complicated scenario and it's easier to think why couldn't it all be done in one day in one smack," allowed Dr. Ayug Ommaya, a neurosurgeon and expert on the mechanics of head injuries who testified for the defense.

Unlike the jury, which convicted Ms. Woodward of second-degree murder, Judge Zobel appeared to accept that scenario when he allowed, in his decision, that Ms. Woodward may have been only

"rough" with the baby. But pediatric experts on child abuse unconnected with the Woodward trial said Tuesday that everything known about children's injuries did not give with such a picture.

Dr. Jan Bays, chairman of the American Academy of Pediatrics' Committee on Child Abuse and Neglect, said she had not followed the Woodward trial closely, but it appeared to involve "a classic history" of shaken baby syndrome.

Dr. Bays said that when a child, like Matthew, has trouble breathing, is bleeding in its brain and eyes and has a fractured skull, "these injuries are definitely not caused by a three-to-five-foot fall off a counter or being dropped out of Mom's arms."

"It's violent shaking," she said, "so violent that anyone witnessing it would know this was very dangerous to this baby, and usually at the end of the shaking, because the person is angry and out of control, the baby is thrown down." This could lead to a skull fracture.

Furthermore, she and others said, it was impossible that Matthew Eappen could have incurred a severe brain injury three weeks before Feb. 4 and continued to function more or less normally.

Dr. Randall Alexander, a University of Iowa pediatric professor who has written several papers on "shaken baby syndrome," said he also discounted the "re-bleed" theory because it is not bleeding that kills a shaken baby anyway, but rather the swelling of its brain tissue, which puts pressure on the parts of the brain that control vital functions and brings death.

"You die of massive brain swelling, and that takes a massive injury to do that," he said.

Studies have shown that to incur the level of head injury found in shaken baby syndrome, he said, children must fall from second-story windows or be caught in car crashes without seat-restraints.

Furthermore, he said, signs in Matthew Eappen of an old injury certainly did not rule out the possibility of a new one: child abuse is often repetitive, he noted. And a lack of neck injuries was common among "shaken baby" victims, he added.

These and other scientific disputes appear certain to re-surface when Ms. Woodward's defense begins the process to appeal her manslaughter conviction.

General Powell Rules Out Presidential Bid in 2000

By Richard L. Berke
New York Times Service

WASHINGTON — Trying to head off years, perhaps, of speculation and draft movements, General Colin Powell has made it clear that he has no intention of seeking the Republican nomination for president in 2000.

"I am not running for any political office in 2000," General Powell, 60, said when asked about his designs on the White House at a news conference in Des Moines, Iowa, where he was addressing a motivational conference.

Though General Powell, who is retired, has suggested to various audiences in the past year that he would not run for president, his remarks on Tuesday appeared to be the most definitive. Echoing a theme from his announcement in November 1995 that he would not seek the Republican nomination in 1996, he said he lacked the "passion" for political life.

"I went through this in 1995," said General Powell, who catapulted to prominence during the Gulf War in 1991, when he was chairman of the Joint Chiefs of Staff. "I took a hard look at myself and took a look at the needs of my

family, and I concluded individually and we concluded as a family that political life was not for us."

When he announced his decision in 1995, the general was careful not to rule out a change of heart in future campaigns. "I need to move back into private life and find other things to use my energies and talents on," he said then, "and not keep the political pot boiling any more at this time."

It seems premature for Republicans to maneuver for their party's nomination three years ahead of time, and the spectacle of a potential contender's announcing he will stay on the sidelines seems even more unusual.

But General Powell has been an exceptional figure in American politics who captivates Republicans and Democrats alike. Polls still show that he is by far the most popular among more than a dozen Republicans who have toyed with running for president in 2000.

He is also unique in his party in that polls show he holds significant appeal among Democrats and independents. And unlike other black leaders, General Powell did not have trouble expanding his support to white voters.

PAKISTAN: Link to Conviction in U.S.?

Continued from Page 1

the shooting deaths "an outrageous act of barbarism," The Associated Press reported.

The spokesman, Michael McCurry, also said there was no evidence of a connection to the Kansi conviction. "I would stress at this point we do not have direct evidence that links those two," he said. "But obviously, we will watch for a link."

[Reuters reported that the lawyers for Mr. Kansi asked a judge on Wednesday to declare a mistrial, saying jurors might be "scared to death" by the killings.]

[But a Fairfax County Circuit Court judge, J. Howe Brown, denied the motion. He said he had detected no sign that the 12-member jury knew about the shooting in Karachi or were shaken by it. "The jurors are trying to determine a sentence for Mr. Kansi,"]

Union Texas officials in Pakistan identified the four slain Americans as Ephraim Egbu, 42; Joel Enlow, 40; Tracy Ritchie, 41; and L.W. Jennings, 49. All were residents of Houston in Karachi on temporary assignment to conduct an annual audit on the Pakistan unit, the largest of 20 international oil concerns operating in the country, accounting for half its annual petroleum production.

The attack, unusual in Karachi only because the targets were foreigners, came less than 36 hours after Mr. Kansi was convicted of shooting dead two CIA employees outside the agency's Langley, Virginia, headquarters four years ago.

Kansi family sources said that a few weeks after his arrest in June by FBI and CIA agents at a Pakistan hotel, Mir Aimal Kansi told his elder brother, Hamidullah, during a conversation at Fairfax County Jail that "his people" would not spare "the Americans" and those who disclosed his whereabouts.

A top Pakistani security official said that Mr. Kansi had repeated the threat to his brother during other meetings at the jail. Security officials said the individuals who were most likely to carry out such a threat were members of Islamic fundamentalist groups who sheltered Mr. Kansi in Afghanistan during more than four years on the run. Specifically, the police said, they suspect one of those groups, Harkat ul Ansar, was behind the attack Wednesday.

The State Department recently declared Harkat a terrorist organization because of its violent opposition to Indian rule in the mostly Muslim province of Jammu and Kashmir. Members of the group have undergone military training inside Afghanistan at camps situated along its border with Pakistan.

The State Department on Tuesday warned Americans in Pakistan and around the world to take precautions

against possible retaliation after Mr. Kansi's conviction.

But William Burk, a division manager of Union Texas Pakistan Inc., said the company did not receive that general warning or any specific threat.

"We were not aware of any security notice issued by the State Department," he said. A spokesman for the U.S. Consulate in Karachi said that the warning was passed to Americans there, but that he was unsure when.

Mr. Kansi's trial and conviction has been followed closely across Pakistan. The conviction played on the front pages of English-language newspapers, but was widely expected here and reaction was largely muted, local analysts said.

They added, however, that if Mr. Kansi were sentenced to death, American and Pakistani officials should expect a greater outcry and possibly more violence aimed at U.S. interests.

Prosecutors asserted that Mr. Kansi, who also wounded three others in the 1993 shooting, was himself seeking to retaliate against American intelligence operatives for U.S. bombing attacks on Iran when he shot the CIA employees.

Frank Darling, 28, and Lansing Bennett, a 66-year-old physician employed by the CIA, were in their cars waiting in morning traffic outside the agency when Mr. Kansi walked between cars, firing an AK-47 assault rifle.

The attack Wednesday came just days before Secretary of State Madeleine Albright is scheduled to arrive in Islamabad for the first working visit by a secretary of state in the Pakistani capital since that of George Shultz in 1983. Mrs. Albright was not scheduled to visit Karachi, Pakistan's largest city and main port.

IRAQ: Security Council Imposes a Travel Ban on Iraqi Officials

Continued from Page 1

Washington had stepped up military preparations against Iraq, and switching from English to Arabic, he pleaded with Arab nations not to provide operating bases for the United States.

Mr. Sahhaf said there had been 984 violations of Iraqi air space since Oct. 29, the day Iraq announced it would expel American inspectors. He said that the United States was flying not only U-2 aircraft over Iraq but also TR-1 spy planes, which were used in the Gulf War.

Reaching for explanations for why Iraq had lost its diplomatic bid to head off further sanctions, Mr. Sahhaf accused Washington of browbeating the Security Council and creating a "hysterical atmosphere" at the United Nations.

Council members had told Iraq, he

ALLIES: If Coalition's Back, What Are France and Russia Up To?

Continued from Page 1

quickly exploit. That prospect is more worrisome to Russia and Europe than to the United States, French and Russian officials and analysts said.

Still, France and Russia have used words not far from those of U.S. officials in condemning Iraq's position. But the differences they appear to have papered over have not dampened anger in Washington about their recalcitrance.

In the U.S. view, France and Russia fail to recognize the danger Mr. Saddam poses with his arsenal of biological, bacteriological and nuclear weapons. For five years, Iraq has all but thwarted UN-supervised monitoring of Iraq's weapons development and deployment.

"We are anxious," said Yves Doutriaux, a spokesman for the French Foreign Ministry. "Iraq's decisions are not always rational. I'm not telling you any state secret when I say that when we go in to see [Mr. Saddam] we tell him he's shooting himself in the foot."

France and Russia kept lines open to Mr. Saddam long after the United States and the rest of the Gulf War coalition had

turned irrevocably to repulsing Iraqi troops from Kuwait by overwhelming force — with French and Russian support. One of the leading advocates of brokering a settlement with Mr. Saddam, even after the air war began, was Yevgeni Primakov, Moscow's leading Arabist, who has had long experience in dealing with Mr. Saddam and is now the Russian foreign minister.

The United States has also isolated itself across Europe by threatening economic sanctions against countries doing business in Iran — most recently over a recent \$2 billion natural gas deal signed with Iran by a consortium of three energy companies (including France's Total SA and Russia's Gazprom). The sanctions laws pervade every aspect of the U.S.-French relationship, one Western diplomat in Paris said recently.

Far from harboring sympathy for the Iraqi dictator, whom they deride coarsely in private, French officials question the diplomatic strategy and objectives behind U.S. efforts to threaten Iraq.

Noting that the United States has made no secret of its refusal to lift economic sanctions as long as Mr. Saddam

remains in power, senior French officials said they asked their American counterparts recently what interest Mr. Saddam has to comply with UN resolutions, and what the U.S. longer-term strategy might be should a UN resolution, or even subsequent military strikes, fail to force Mr. Saddam's compliance.

Iraq was a major client of Russia during the Soviet era, and much of its prewar military hardware was purchased from Moscow. Many in the Russian political, business and foreign policy elite believe Iraq could again be a future partner in the region.

Russia is struggling in the global arms bazaar — experts that provide needed cash — and also has a burgeoning private oil industry, which has contracted for 38.5 million barrels of Iraqi oil in the UN food-for-oil swap. Iraqi and Russian officials have had regular meetings this year to plan what they say would be a return to the pre-sanctions levels of trade, about \$1.5 billion a year, if sanctions were lifted.

Mr. Trueheart reported from Paris and Mr. Hoffman from Moscow.

Iraqi Violations Rise In the 'No Fly' Zone

Reuters

ANKARA — Baghdad has increased violations of the Western-imposed "no-fly" zone over northern Iraq, prompting Washington to beef up its forces at an air base in southern Turkey, Turkish and Western diplomats said Wednesday.

"In recent weeks there have been more violations," a Western diplomat said. "Not a huge amount, but the pattern is up."

An official at the Turkish Foreign Ministry said Washington had sent reinforcements to the joint U.S.-Turkish Incirlik base near the southern city of Adana to keep an extra eye on northern Iraq.

In Baghdad, Foreign Minister Mohammed Said Sahhaf said U.S. military planes had violated Iraqi air space in the north and south 984 times since Oct. 29.

BRIEFLY

No Extradition For 'Train Robber'

BRASILIA — The "Great Train Robber" Ronnie Biggs celebrated Wednesday after Brazil's supreme court rejected a request for his extradition and buried Britain's hopes of ever putting its most famous fugitive back behind bars.

"I feel totally elated and relieved and finally I can get on with the next phase of my life," Mr. Biggs said by telephone from his home in Rio de Janeiro.

The Supreme Federal Tribunal ruled unanimously to reject a British request for Mr. Biggs's extradition, 34 years after he took part in the legendary robbery of a Glasgow-to-London mail train in 1963.

The supreme court found that, under Brazilian law, Mr. Biggs's involvement in the robbery and his escape from prison were considered void because they took place more than 20 years ago.

Mr. Biggs was sentenced to 30 years for his part in the robbery that netted his gang about \$50 million by today's values. He escaped from a prison in 1965 and arrived in Rio de Janeiro in 1970. (Reuters)

Opposition Strike Fizzles in Algeria

ALGIERS — Most Algerians appeared to ignore a general strike called for Wednesday by opposition parties to protest what they say was massive fraud in local elections last month.

All stores and services in Algiers were open for business. Some workers in Tizi Ouzou, a town about 100 kilometers (60 miles) east of Algiers, refused to work, residents said by phone. The party of President Liamine Zeroul and its allies won most seats in the elections. (AP)

Protest in Brasilia

BRASILIA — Honking horns and blowing whistles, leftist demonstrators brought the center of the Brazilian capital to a standstill Wednesday to protest tough budget cuts the government announced to shore up the economy.

Public servants, union members and representatives of the landless criticized President Fernando Henrique Cardoso, while a poll showed the majority of Brazilians agreed that the spending cuts and tax increases were necessary. (Reuters)

For the Record

Rebels of the Revolutionary Armed Forces of Colombia kidnapped a Mexican engineer and his Colombian colleague as they worked on a hydroelectric power project in northwest Colombia, the police said Wednesday. (Reuters)

FUNDS: FBI at White House

Continued from Page 1

might interview the president and vice president in pursuing separate inquiries, and aides to Mr. Clinton and Mr. Gore had said the two men would not object.

"Since Reno is under such pressure to appoint an independent counsel from Republicans and editorial boards," Mr. Mann said, "she is determined to do as thorough a job as possible in deciding whether that's called for. This is prudent of her."

Ms. Reno faced a squall of criticism when she rejected on Oct. 3 a request from Republican legislators to seek appointment of an independent counsel to investigate a broad range of allegations against Mr. Clinton and Mr. Gore, including bribery and misuse of campaign funds.

That left the Justice Department investigation with a narrow focus: the question of telephone solicitations, a possible violation of an 1883 law.

That law, the Pendleton Act, was aimed at professionalizing the civil service. Among other things, it forbids fund-raising on government property.

It has never before been applied to a president or a vice president, and has not even reached court since 1954. The scanty legal history and conflicting Justice Department guidelines leave some doubt as to whether it now applies.

"It would be stunning," said Mr. Mann, who is director of governmental studies at Brookings. "If we had the appointment of an independent counsel based on the possibility of a violation of the Pendleton Act — almost laughable."

If an independent counsel is named, Mr. Mann said, "the precedent is for that person's mandate to broaden beyond any known bounds."

Mr. Clinton and Mr. Gore could then face questions about more serious allegations, dealing with White House influence over Democratic National Committee advertising strategies, alleged attempts by China to influence U.S. elections and possible illegal laundering of campaign contributions.

Mr. Gore has said that he did make at least 46 calls to solicit donations but believed his actions were legal; Mr. Clinton said he cannot recall whether he had made any calls.

The allegation that they might have made illegal phone calls has failed to arouse much public outcry. Had the same calls been made from a corner convenience store, some analysts have noted, they would have been perfectly legal.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Unite Against Baghdad

The UN Security Council has a timely opportunity to erase the damaging impression of division and weakness it created last month when it failed to punish Iraq for obstructing the work of international weapons inspectors.

It can do so by approving a new American-sponsored resolution to restrict international travel by Iraqi officials who fail to cooperate with investigations into Baghdad's secret missile-building efforts and its biological, chemical and nuclear weapons programs.

Approving the resolution, which would impose no new suffering on innocent Iraqi civilians, would signal Saddam Hussein that every attempt to shake off legitimate UN scrutiny will be met with tighter diplomatic isolation of his regime.

France and Russia, which refused to support identical travel restrictions last month, now seem to have changed their minds as a consequence of Iraq's escalating campaign of interference with the inspectors. With the UN's having rightly refused to buckle to Baghdad's demands that Americans be excluded from the arms-inspection teams, the weapons-monitoring and investigation effort has virtually ground to a halt.

Increased diplomatic pressure is the right first response to Mr. Saddam's latest provocation. But given the Iraqi leader's long record of defying both the arms inspectors and the Security Council, Washington and its allies must also

keep open the option of future military action in defense of UN authority.

The administration should also consider reviving its efforts to encourage political opposition within Iraq. The most realistic assumption, however, is that Mr. Saddam will not be removed from power anytime soon. That means Washington needs to shore up the fraying coalition that fought the Gulf War.

France and Russia, eager for oil deals with Iraq, have taken a short-sighted view of their own best interests. Yet their continued support, as well as that of Turkey and pro-Western Arab countries like Egypt, is crucial to any diplomatic strategy toward Iraq.

The Clinton administration should give a sensitive hearing to these countries' points of view and, where possible, accommodate them. One obvious place to do so would be to reaffirm the Security Council's willingness to consider an end to oil sanctions once Baghdad fully satisfies its disarmament obligations, including the establishment of a trustworthy system of long-term monitoring.

While many Americans are understandably frustrated by the ambiguous positions taken by some former Gulf War allies, the real problem is Mr. Saddam and his efforts to acquire terrorist weapons. The right response is to rebuild the widest possible coalition to enforce UN disarmament and inspection requirements.

—THE NEW YORK TIMES

Au Pair Ruling

The case of a British au pair accused of shaking to death an 8-month-old baby in Massachusetts transfixed at least two nations. U.S. and British networks scrambled to cover the climactic judicial ruling Monday, and Web sites carrying the judge's text were overloaded with cybervisitors. This was obviously a matter that resonated beyond the grief of one Newton, Massachusetts, household.

In the case itself, we think Superior Court Judge Hiller B. Zobel got it mostly right when he reduced Louise Woodward's conviction from second-degree murder to involuntary manslaughter. Miss Woodward's lawyers had presented the jury with a no-middle-ground choice between murder and innocence, gambling that they could beat the rap altogether. They lost; the jury, on the strength of persuasive evidence that Miss Woodward had treated Matthew Eappen roughly, voted for murder. But Judge Zobel rightly concluded that she should not suffer for her lawyers' miscalculated gamble, though she concurred in it. A judge must correct a miscarriage of justice, he wrote, regardless of its cause.

More troubling was his decision to free Miss Woodward immediately, in the interest of achieving a "compassionate conclusion." We say this not because the defendant expressed no remorse; it is her right to maintain her innocence. Nor can she be blamed for the disgusting spectacle of her supporters popping champagne corks, as if a sports contest and not the death of an infant were at issue, nor for the unseemly and lucrative offers to buy her "story."

But a unanimous jury and a judge both concluded, after listening to evidence from both sides, that Miss Woodward was guilty of actions that caused a baby's death. Even if she was young and confused, as Judge Zobel maintained, consequences should flow from the abuse she committed. In a state where manslaughter normally car-

ries a three- to five-year sentence, her punishment of 279 days in jail before and during her trial seems inadequate.

Miss Woodward's case has raised questions about the au pair program under which she came to the United States. It was said first that most of the 12,000 foreigners working in America as au pairs perform their duties diligently. It also seems true, however, that the young women (aged 18 to 26) who come for one year under the government-sponsored program often have different expectations from their hosts. The women expect an introduction to America, a cultural program, a bit of adventure; their host families are looking for inexpensive, live-in child care. When U.S. officials proposed tightening standards and limiting working hours after a similar tragedy three years ago, more than 3,500 families sent letters complaining about the higher costs that would have been the result.

That response speaks to the larger issue, of which au pairs form only a tiny part. Many people criticized Matthew Eappen's parents for entrusting him to an inexperienced baby sitter, but most mothers of young children today are in the work force, many by dint of economic necessity, others because they find satisfaction both in careers and in family life. The U.S. government is in the midst of forcing thousands more to find some form of child care as they lose welfare payments and take jobs.

Yet most of the 3 million child-care workers in the United States receive little or no training; one-third are paid the minimum wage; half will quit their jobs this year. And U.S. immigration law, which allows companies to sponsor foreigners with special skills, does not consider child care one such skill. Millions of parents, in other words, believe they face a choice between the unacceptable and the intolerable. That is why the Eappen case hit so close to home.

—THE WASHINGTON POST

Other Comment

'We Can Do Better'

Four years ago we met for an historic debate on trade. Congress approved NAFTA on that day but failed to protect worker rights, food safety and the environment. Since then, we've watched NAFTA take its toll. In Michigan a little girl named Lindsey almost died from hepatitis she got from eating contaminated Mexican strawberries.

In Florida, hundreds of tomato farmers have lost their farms thanks to growers in Mexico who undercut them with child labor and illegal pesticides. In Texas, factories paying workers \$6 an hour closed up shop and moved across the Rio Grande, where they hired workers for 10 times less.

Fast-track supporters are telling us to ignore existing problems, repeat the mistakes of the past and vote to expand

a trade policy that's failing on both sides of the border.

I met two weeks ago in a visit I took to Mexico with Rosa Maria Gonzalez, who works in a state-of-the-art factory making circuit boards — but lives in a cardboard shack next to a sewage canal. She makes 59 cents an hour. ...

The industrial park where she works is home to some of the familiar corporations of the world: Ford, General Motors, General Electric. These modern, profitable factories ... embody the broken promises for NAFTA: lower wages, a dirtier environment and few benefits for anybody but the economic elite. That's not fair, that's not right and we can do better.

—Representative David Bonior, Democrat of Michigan, speaking at a press conference. His remarks were excerpted in The Washington Post.

Don't Forget That Globalization Creates Losers, Too

By William Pfaff

PARIS — Congress's refusal to give new "fast-track" trade negotiation power to President Bill Clinton provides a pause in which to think again about the Clinton administration's headlong drive for global trade deregulation.

It is a program inspired by corporate business and what currently is the conventional wisdom in the economic policy community. It is promoted with arguments that too often combine a certain economic utopianism with a notable blindness to the social consequences of deregulation.

Mr. Clinton withdrew his trade bill because public opinion in the United States, as expressed to Congress, was against it. This was not simply a matter of protectionist sentiment.

There has been a growing recognition even among those who support globalization, as Dani Rodrik of Harvard's Kennedy School put it in an important study published earlier this year (by Washington's Institute for International Economics), that globalization must be made "compatible with domestic social and political stability."

We must be sure "that international economic integration does not contribute to domestic social disintegration." This is not a fanciful concern.

Globalization, he says, has exposed "a deep fault line between groups who have the skills and mobility to flourish in global markets and those who either do not have these advantages or perceive the expansion of unregulated markets as inimical to social

stability and deeply held norms."

Mr. Rodrik is concerned with the domestic American scene, but of course globalization's effects are often much more severe in countries without the industrial culture, sophistication and wealth of the United States.

In July, Rubens Rionero, the head of Unctad, the United Nations Conference on Trade and Development, presented some of the findings of his organization's 1997 report, which show an increasing tendency toward divergence between the leading economies and the developing ones, and "widening gaps" between the newly industrialized economies and other developing countries.

He said that "wage inequality between skilled and unskilled labor is now a global trend. The 'hollowing out' of the middle class is a feature of income distribution in many countries. Increased job and income insecurity have become widespread characteristics of the global economy."

These are among the reasons why Mr. Clinton's ambition to extend NAFTA to the Southern Hemisphere was rebuffed in October, when the president visited Argentina, Brazil and Venezuela.

He ran into a ferocious defense of the South Americans' own limited free-trade grouping, Mercosur (a customs union of Argentina, Brazil, Uruguay, and Paraguay, with Bolivia and Chile associated). The United States was

seen as attempting to destroy Mercosur by merging it into a larger trade grouping in which South American interests could be ignored.

The South Americans are unwilling to open up their markets to NAFTA on U.S. terms, since they do not believe that they will enjoy a compensating export advantage from free trade with the United States. They are reluctant to expose themselves to the social consequences of market integration with the dynamic and sophisticated North American economies. What has happened in Mexico does not reassure them.

Mr. Clinton was also seen as meddling politically by lifting a 20-year-old U.S. embargo and allowing the export of advanced fighter aircraft to Chile, and by declaring Argentina a "major non-NATO ally" of the United States, a designation giving Argentina access to surplus American arms, an act interpreted as hostile to Brazil.

President Carlos Saul Menem's faithful support for U.S. policy initiatives had won Argentina this doubtful accolade, but Argentine voters a few days later delivered a stunning blow to Mr. Menem's Peronist party in legislative elections, largely because of anxieties over the consequences of Argentina's privatizations and market opening, and the accompanying corruption.

The United States is perceived today, even by Mr. Menem, as having relapsed into an arms race in Latin America. The argument, which is true, that this had more to do with pressure from

U.S. aircraft manufacturers than with any Machiavellian official intentions, has simply underlined the dangers in increased economic intimacy with the United States.

The bottom line is that market deregulation profits powerful economic actors, private and political. That is why the Clinton administration and the principal corporate actors in the United States like it.

But the success of the powerful can make others losers.

There is an increasing reaction in countries where the public believes itself victimized or threatened and also in certain intellectual and political circles in the United States and elsewhere.

Mr. Rionero has been attempting to stimulate constructive debate within his UN agency in Geneva. The Swedish government has just sponsored a major international conference called "International Solidarity and Globalization," with Asian, Latin American and African participation.

Mr. Rodrik cites the experience of the late 19th and early 20th centuries, when low tariffs and the gold standard (a form of single currency) promoted an earlier "globalization" of North American and European economies. Its excesses and abuses contributed to the world crisis that followed, and to the post-1918 retreat into global protectionism and eventual depression. Ignorance and arrogance could make that happen again.

International Herald Tribune.
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With Trade Vote Debacle, Old Democrats Rout the New

By William Safire

WASHINGTON — The "new" Democrats have been routed by the old. The Democratic Party is now America's Labor Party. Dick Gephardt has replaced Al Gore as front-runner for the Democratic nomination in 2000.

Surely the man in the White House will have his successes, and his chosen successor's name recognition will maintain Gore poll ratings. But the chickens of triangulation are coming home to roost.

What a spectacle: The Oval Office arm-twister himself, and all the president's men, were unable to get more than one in four House Democrats to give him "fast-track" authority to negotiate trade deals without congressional amendment. Symbolically, the left wing of the House, behind Mr. Gephardt, the minority leader, rose up and declared its abhorrence of the middle of the road.

John Sweeney, boss of the AFL-CIO, made it happen. He proved he had the money, the

troops and the clout within the Democratic Party to call the shots. One tactical Clinton blunder was to blurt out the truth about Mr. Sweeney's domination: "I wish we could have a secret vote in the Congress — we'd pass it 3 or 4 to 1." This was rightly taken by insulted House Democrats to mean their votes were sold for union money or cast in fear of union punishment.

Another Clinton blunder was to become the first president to let his all-or-nothing trading power lapse, delaying the vote last year lest it conflict with his No. 1 priority: getting re-elected. He subordinated all other considerations to his personal political interest.

Now we come to the strategic blunder. Much has been made of President Clinton's political brilliance in responding to the 1994 debacle by moving to the center, adopting the Republicans' balanced-budget goal,

stealing the opposition's clothing by putting trade ahead of human rights.

But to what end? Mr. Clinton in the first year of his second term is like George Bush in the last year of his only term: an exhausted volcano. The Comeback Kid, having left his political home, has no place to come back to.

By straddling the fence, by being liberal on affirmative action while taking conservative positions on crime; by escalating class war while abandoning New Deal entitlements; by enshrining deficit reduction while ducking on Medicare and Social Security reform; by rattling the saber at Saddam while neglecting U.S. missile defenses — the most pro-choice president has stripped Americans of their choice of directions.

Centrism is fine when it is the result of competing interests. Thesis; antithesis; synthesis. But centrism is vapid

when it is the suffocator of interests, seeking to please rather than striving to move. Mr. Clinton's approach, in most cases, has been to follow the primrose path of polling down the middle. His motto has become a firm "there must be no compromise with compromise."

That's why we right-wingers, though saddened by this setback to free trade, welcome the emergence of the Demo-Labor Party. It has an identity, even a soul; it knows where it stands and is willing to take that principled stand, and it is a loser.

Demo-Labor is a loser, that is, in national elections that offer choices on the economics of redistribution, or the politics of central control, or the folly of multilateralism.

But Demo-Labor can be a winner in primary elections in the party of the left. It has the money and the bodies, while Bill Clinton's self-absorption has bankrupted the party and decimated its roster of elected

officials. (In terms of electoral results in Congress and statehouses, Mr. Clinton is the best Democratic president the Republicans have ever had.)

What's next? Having established his dominance, Mr. Sweeney will go underground. Having shown Mr. Clinton his impotence, Democrats in Congress — especially Mr. Gephardt — will now feed the duck limping around the White House with great deference.

That will be a charade, of course; the power has passed. The coalition-free president with the nontransferable popularity has been outbid, and his displeasure no longer strikes fear in the Democratic ranks.

Mr. Sweeney's Demo-Labor task now is to attract urbanists, greens, minorities and especially women; to secure bed-fellowship with Perot-Buchananites, and to find an attractive lefty who can play the centrist without actually selling out.

The New York Times.

Waiting Out Saddam Could Be a Lethally Risky Gamble

By Jim Hoagland

WASHINGTON — American policymakers assume that Saddam Hussein can be reasoned with or intimidated into backing down because he is frightened of U.S. force. The assumption is flawed twice over: Mr. Saddam cannot afford to be reasonable or intimidated. And it is not the United States that frightens him.

Iraq frightens the Iraqi dictator. The ayatollahs have spent a decade rebuilding an army that today could defeat Iraq and finish the Persians' savage, interrupted war with their Arab

neighbor. The weapons of terror that Mr. Saddam hides from UN inspection are to him his ultimate means of survival.

While he savors the thought of using biological and chemical weapons on Israel and the United States for revenge, Mr. Saddam does not see the Clinton administration as a mortal threat. Washington gives him room to maneuver, so he periodically takes it. Iraq's continuing frustration of UN inspections at moments of its choice

is the current case in point. Mr. Saddam has watched this White House repeatedly back away from serious military strikes against him and then abandon meaningful covert action in Iraq. "Saddam understands that Washington is not committed to ousting him," says a senior Arab diplomat with long experience in Iraq. "Others are."

This explains why the Iraqi dictator has passed up \$100 billion in oil revenue over the past six years rather than give UN inspection teams a free hand in Iraq. The laboratories that will enable Mr. Saddam to manufacture chemical and biological weapons instantly if Iran charges across the border count for more than money or logic with Mr. Saddam.

Secretary of State Madeleine Albright professes to see a mystery in Mr. Saddam's refusal to accept "a ticket out of sanctions" by letting the 40 UN inspectors who work in Iraq (including seven Americans) get on with their mission. "That is the part that I don't understand about him," she said on television Sunday.

The only puzzle is the secretary's puzzlement. Has she not been listening to her own speeches describing Mr. Saddam's brutal and bloody rule at home and his aggression abroad? Does she really expect him to ask what is best for his country and then do it?

Mr. Saddam does not survive through building consensus or winning elections, as Bill Clinton does. Mr. Saddam found poison gas invaluable in putting down his own rebellious citizens. He then incorporated terror into foreign policy by using chemical weapons against Iran in 1988, and by issuing chemical warheads to Iraqi brigades for possible use against American troops in 1991.

Those warheads apparently were not used because the war unfolded so rapidly and Mr. Saddam was worried about U.S. nuclear retaliation.

But since Desert Storm, he has not had to worry about paying a serious military price for his defiance. His cat-and-mouse game has systematically sacrificed "low-quality capability to protect high-quality capability," in the view of Rolf Ekeus,

the able, tough-minded Swedish diplomat who headed the UN inspection team for five years before becoming ambassador to Washington in September.

I asked Mr. Ekeus what could be worth \$100 billion to Mr. Saddam to board. His answer: "The production facilities for biological weapons agents."

Fear and vindictiveness make the Iraqi leader a far more dangerous and desperate adversary than Mr. Clinton assumes.

such as anthrax, and the instruction manuals on how to produce the agents and their delivery systems. It is similar on chemical weapons. They want to keep hidden the chemical reactors and other capabilities that will enable them to produce what they call "special" weapons the moment the inspectors are out. The Iraqis also hope to buy plutonium and eventually produce a nuclear bomb.

Mr. Ekeus provided the

United Nations with a graphic report nearly two years ago spelling out this and more. For two years the State Department has known that Mr. Saddam had (and still has) possession of nearly a score of the 25 long-range missile warheads to carry biological weapons that Iraq has admitted it produced before 1991.

The Iraqis also have biological gravity bombs, tons of deadly VX nerve gas and some Scud missiles.

This is Mr. Saddam's treasure trove. Fear and vindictiveness make Mr. Saddam a far more dangerous and desperate adversary than President Clinton assumes. Waiting Mr. Saddam out, while letting him keep the means to make weapons of mass destruction during that wait, is the world's riskiest gamble.

Military force should not be used this time merely to punish Mr. Saddam, or to intimidate him into a solution for the phony issue of Americans on the inspection team. If force is used, it should be directed at destroying his special weapons capability once and for all. Containing Iran's ambitions against Iraq should take second priority to this urgent task.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Canadian Visit

PARIS — [The Herald says in an Editorial:] The meeting between Secretary Sherman and Sir Wilfrid Laurier may be the beginning of a new epoch in America. At the first interview between the Canadian Premier and the American Secretary of State they "found themselves in accord" as to the objects for which Sir Wilfrid visited Washington. His desire is to bring about an agreement by which as far as possible all pending differences between Canada and the United States may be settled.

1922: Bavarian Crisis

BERLIN — The Bavarian treason law was applied again in the increasing revolutionary ferment in Munich, where the police raided the offices of the "Münchener Post," the Socialist paper which disclosed a secret arms depot. Herr Auer,

the Socialist leader, was arrested on a charge of treason. Intimation of trouble further increased when Herr Hitler, leader of the German Fascist, organized shock troops, ejecting from a public hall all who refused to "do, dare or die."

1947: Russian Menace

PARIS — General Charles de Gaulle, in his first press conference in more than six months, suggested that France take the initiative in promoting defense treaties with the United States and Great Britain. France, he said, is threatened by "an enormous European power" (the Soviet Union). It was a power, he said, greater than that of Charles V, the 16th-century Emperor of Spain and Germany, greater than that of William II of Germany, greater than that of Hitler, "because this European power receives help from inside our country."

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OPINION/LETTERS

A Land-Mine Ban Is Just a First Step

By David McCall

WASHINGTON — The award of the Nobel Peace Prize to the International Campaign to Ban Land Mines is a well-deserved acknowledgment for a grassroots movement to limit the worldwide plague of anti-personnel land mines.

However, what a ban on land mines will not do is address the present crisis. The tens of millions of land mines that are scattered over 60 countries are estimated to kill and maim up to 26,000 people annually. They also prevent farmers from growing crops on large tracts of agricultural land. Land mines hidden in the soil of forgotten battlefields remain dangerous long after hostilities have ceased.

The land-mine predicament is big enough to warrant a second Nobel Prize for the individual or organization that develops safer, cheaper and faster ways to detect and remove land mines. The priorities must now be to reduce the casualty rate and return land to the population —

However, most people would not want to work in a rice field from which only most mines have been removed. Anything less than total clearance is unacceptable.

A fair amount of research is going into developing better de-mining technology. But scientists and manufacturers have little understanding of the real-life problems facing de-miners, and few areas to test their concepts for new technology. Equally, de-miners have neither the time nor the resources to develop the equipment they need. As a result, de-miners are continually confronted with a barrage of ill-conceived ideas from would-be benefactors.

Three components are needed to end the devastation caused by land mines: leadership, organization and resources. The first requirement could be addressed quickly if President Bill Clinton, the secretary-general of the United Nations and other world leaders would exert the will to speed up humanitarian de-mining around the world. Mr. Clinton should appoint a "land mine czar" to coordinate an accelerated de-mining program.

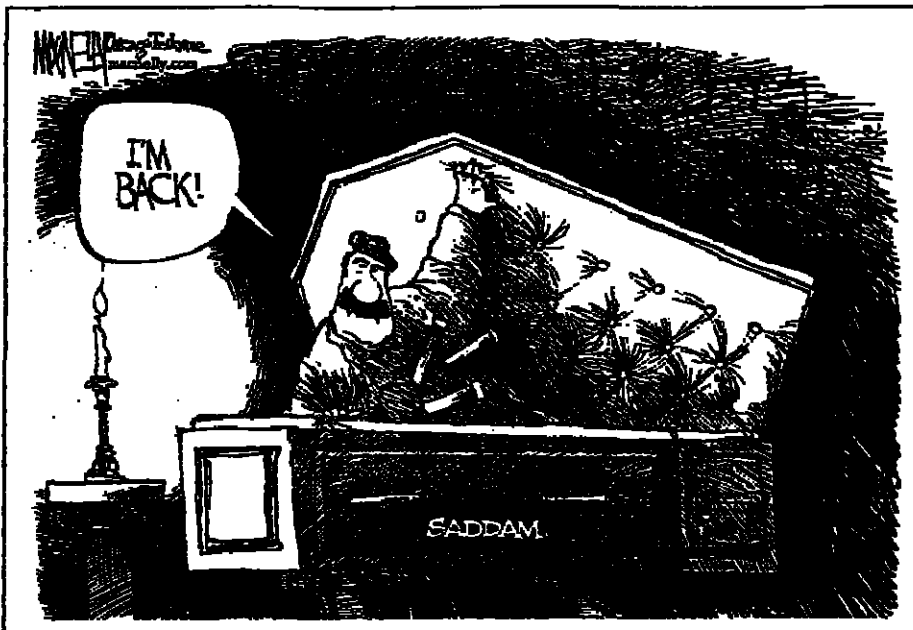
Organization follows naturally from sound leadership and demands a practical, coherent approach. One of the major organizational priorities should be to foster closer links between researchers and de-miners.

In comparison with the profile of the land-mine ban, the plight of the de-miner is barely publicized and little understood. The resources available to operational de-mining organizations are pitifully inadequate, yet it is their work that actually achieves the twin objectives of reducing casualties and returning land to use.

At the end of World War II, Europe was more heavily mined than the entire world is today. Yet 80 percent of the mines were cleared within two years because there were the financial resources and political will to do it.

The International Coalition to Ban Land Mines brought together thousands of individuals and organizations in a common effort to create a future without land mines. An effort of this magnitude is now needed to address the present problem: countless land mines already in the ground and waiting, silently and patiently, for their next victim.

The writer is a member of the board of directors of Refugees International, an independent international humanitarian organization. He contributed this comment to the *International Herald Tribune*.



Isaiah Berlin, Low-Risk Philosopher

By Paul Johnson

LONDON — Sir Isaiah Berlin, who died last week at the age of 88, once described himself to me as "preternaturally ugly in a peculiarly foreign way."

He was so negligent of his tailoring that, as someone said, he "appeared to float inside his clothes."

A Jewish immigrant who spent his early childhood in St. Petersburg, he was 12 when his family moved to London after the Russian Revolution. Yet he became one of the most eloquent Britons of the 20th century, in his writing and, especially, in his conversation.

His English was as majestic as the Mississippi in flood. But what enabled him to fit perfectly into the English scene, oscillating smoothly between high-table Oxford and London society drawing rooms, was that he possessed in abundance the trait the English value most: charm.

That charm never failed him, and it appealed equally to men and women. He was taken up by the English ruling establishment in a way that had happened to no intellectual since John Maynard Keynes. Yet academia — or most of it — loved Sir Isaiah, too.

At Oxford, he was a revered professor of social and political theory. And with good reason. In the university's long history of inaugural lectures, the number that have become instant classics can be counted on one hand.

Among those very few is Sir Isaiah's "Two Concepts of Liberty," which he delivered in 1959. Together with his 1953 essay, "The Hedgehog and the Fox," it constitutes his main contribution to the thinking of his day.

But there is something odd about a "great thinker" whose salient message is encapsulated in two essays. Sir Isaiah himself thought so anyway. He often insisted that he was overrated and that the praise and distinction

heaped upon him were largely undeserved.

He said this in part, no doubt, because it invariably provoked a chorus of "Oh, no, Isaiah!" But he half-believed it, I think, and the remark implied a meaningful criticism of the English and of their frivolity in taking him so seriously.

Indeed, though Sir Isaiah is widely considered the central pillar of our 20th-century understanding of liberty, his actual contribution as a moral philosopher may be marginal. However, he did get across two important points.

A cerebral leaven, he attained unique standing as the man who expressed what decent and well-educated Englishmen of the ruling class felt and thought in his time.

Taking as his text the Greek poet Archilochus's lines, "The fox knows many things but the hedgehog knows one big thing," Sir Isaiah drew a useful distinction between thinkers who contribute a number of unrelated but valuable insights and those who develop one unified vision or universal principle.

"Two Concepts of Liberty" reinforces that distinction by contrasting "negative liberty," which allows men the freedom to act diversely and make their own mistakes, with "positive liberty," which harnesses and concentrates freedom to achieve a higher good.

Sir Isaiah's own preference was for the discrete nuggets of understanding unearthed by the fox and covered by the notion of negative liberty. He was made uneasy by the more ambitious and heroic pursuit of a universalist solution for mankind. He argued that the second could, and in his lifetime did, plunge the world into totalitarian horror. Sir Isaiah's distinction fell squarely within the English empirical tradition.

As a result, Sir Isaiah attained unique standing as the man who expressed what decent and well-educated Englishmen of the ruling class felt and thought in his time. He was able, moreover, to reach an audience that few academics, especially philosophers, could hope to penetrate.

Yet Sir Isaiah produced no magnum opus. He offered no broad sweep of theory that inspired followers, gave rise to a school or could be handed on to future generations. The moment we compare Sir Isaiah to his older contemporary, Karl Popper, the author of "The Open Society and Its Enemies," we realize what is lacking: a serious, thoroughgoing and tenacious effort to grapple with the practical problems of establishing durable liberties in the real world.

Sir Isaiah was the antithesis of a Big Book man. He was constitutionally averse to

sticking his neck out. He disliked exposing himself and his thoughts in ways that might be attacked by other scholars and that the young might later mock. He was a low-risk philosopher who exhibited extreme caution in taking up daring positions on contemporary issues.

His book "Karl Marx" (1939) tries to have it both ways, treating this man who he recognized was a supreme enemy of liberty as nonetheless a genius worthy of admiration. Although Sir Isaiah was an outspoken champion of liberty, he never voiced any

protest against the serious threat to British liberties posed by the trade unions in the 1970s, when they enforced a closed-shop policy, nor volunteered an approving word for Margaret Thatcher when she put an end to that practice in the 1980s.

And he had little to say about the rights and wrongs of

BOSTON — Deep down in the decision that Judge Hiller Zobel set before a hungry international audience was a paragraph of self-defense. "Massachusetts," he wrote, "never has and does not now view Justice as a handmaiden to Tyche, the Goddess of Good Fortune.... A court... is not a casino."

Maybe not. Maybe the verdicts in this case of the au pair and the dead baby were not as chancy as the Massachusetts lottery. But on Monday, 279 became Louise Woodward's lucky number. In a reversal that turned a

By Ellen Goodman

jury's murder conviction into a judge's manslaughter conviction, the British au pair's sentence was reduced from life to time served. To 279 days.

To put it quite simply, Miss Woodward walked. She won

MEANWHILE

that first prize called freedom. The judge reminded the public that this young woman would still go through life carrying the stigma of a felony. But he did not hear the cheers and the champagne corks popping in her hometown. After all the appeals run out, the 19-year-old will go home to a heroine's welcome. The Eppens go home to an empty crib.

I do not dispute the judge's decision to reduce the crime to manslaughter. The defense team and the defendant, basking in their own hubris, made a bad bet. They put their money on the jury, gambled on all or nothing — life or liberty, murder or release. But a judge is not just a cropper.

Judge Zobel was "morally certain that allowing this defendant on this evidence to remain convicted of second-degree murder would be a miscarriage of justice." He wrote that he believed "the circumstances in which Defendant acted were characterized by confusion, inexperience, frustration, immaturity and some anger, but not malice (in the legal sense)."

Indeed, the "sad scenario" Judge Zobel described fits my own sense of what happened on that February day. I never thought she set out to murder this baby. I assumed rather that she "lost it," was more than "a little rough with him," rough enough to cause his death. In short, manslaughter.

But the sentence? Time served? 279 days? A Sentencing Lite that frees her to walk and talk and claim her status as the victim? This reversal feels much more like whiplash than like justice.

The jury, stuck with the hard and narrow choice between setting Miss Woodward

free and jailing her for life, chose jail because it could not conscientiously let her go. But the judge had no such constraints. With a much wider latitude of days and options, he found her guilty and nevertheless handed her the keys.

One week a life sentence, the next week a walk. If these "cases of the century" that trip over each other make justice seem bewildering and arbitrary, no wonder.

Judge Zobel, no reed in the wind of public opinion, said that he was bringing this case to "its compassionate conclusion." Compassion for whom? By whom?

He ruled that Miss Woodward was responsible. She is still a killer, who acted in anger as well as frustration. Indeed, to uphold her guilt was to say implicitly that this young caregiver perjured herself in court. And never showed remorse. In the moral assessment of a guilty party, is there no attention to remorse, to just plain sorrow at a dead child?

At no time did Miss Woodward show compassion, dismay, for anyone but herself. At the first sentencing, she cried out, "I'm only 19." Before the second sentencing, she said only, "I am innocent."

When the air is cleared of hysteria and appeals, and she returns home, will her fans eagerly put their young in Miss Woodward's charge? This case has become a symbol for everything. For mommy wars and class wars, for anxiety about children and caregivers, for concern about televised courtrooms and media hype. We have been fascinated by everything — including the fascination.

Every once in a while someone would say, "What about Matthew?" After a momentary hush, the beat would go on.

Today, however, we know "what about Matthew." He died at 8 months old, on Feb. 9, 1997, at the hands of Louise Woodward.

In the numbers game, he lived about 240 days. She served 279. This is what the sentence says to his parents: tough luck.

The Boston Globe

Organization for Security and Cooperation in Europe (O.S.C.E.) and Its Kommissar for Minorities, Max van der Stoep - Agents of Russian Imperialism

Yes, Russian imperialism still lives. It lives in Eastern Europe and in Central Asia and can best be seen in Chechnya, Estonia, and Latvia. The present Russian government is directly descended from Lenin and Stalin. Almost all high officials in the present Russian government were high officials in the Soviet communist government. Therefore Russian imperialism and aggression are being continued today by the same Russian, now ex-Soviet, ex-communist elite or *nomenklatura* which for 50 years threatened the West with nuclear war and for over 50 years lied looking Western leaders straight in the eye. Only now they are much weaker than they were previously and, therefore, they have to be more devious and deceitful. They have by some "means" induced O.S.C.E. and Max van der Stoep to collaborate with them, to work to solidify their ill gotten gains under communism, and to work against the interests of the victim nations and peoples of Russian imperialism.

The Russians, just in this century, have caused the death of 100 million people, have collaborated with Nazi Germany and Hitler, and, therefore, may have caused WW II and the Holocaust.

But O.S.C.E. and Max van der Stoep say that this generation of Russians is different and in any case can't be held responsible for the actions of their fathers and grandfathers.

DIFFERENT? For at least 20 generations, without exception, the Russians have been the most violent, aggressive, barbaric, parasitic, uncivilized people in the world. The present Russian generation is genetically the same as the previous; therefore, it is a dangerous illusion to assume that they are different. Let us just look at some of the deeds of the present Russian generation.

Afghanistan - during the Russian occupation 1 million Afghans died. The "highlight" was the purposeful, massive crippling of Afghan children with booby-trapped toys by the cream of this Russian generation - military officers, politicians, business leaders.

Chechnya - barbaric, uncivilized, and inhuman war waged on behalf of the *nomenklatura* by a drunken Russian army. While citizens of O.S.C.E. countries admired Russian dancers and skaters, the brothers, sisters, and friends of these threw grenades at Chechen women and children and threw captured Chechen men out of helicopters. In less than two years one third of the Chechen population became casualties.

Katyn Forest - where Russians murdered 20,000 young Polish officers. They were killed by a previous generation of Russians, but the present generation of Russians, lied and tried to cover it up. As late as 1990 Russia tried to claim that the Germans had done it. However, since 1946 Poland, US Congress, and everyone else knew that Russians executed the young Polish officers.

Latvia/Estonia - earlier generations of Russians occupied these small countries, killed and deported one third of their people and replaced them with twice that many Russian colonists in order to exterminate Estonia and Latvia as unique and different countries = genocide. Unlike the postwar Germans who helped Israel and the surviving Jews, the present Russian generation is doing everything it can to finalize the genocide against the Estonians and Latvians begun by their fathers under Stalin. Max van der Stoep, where is the difference?

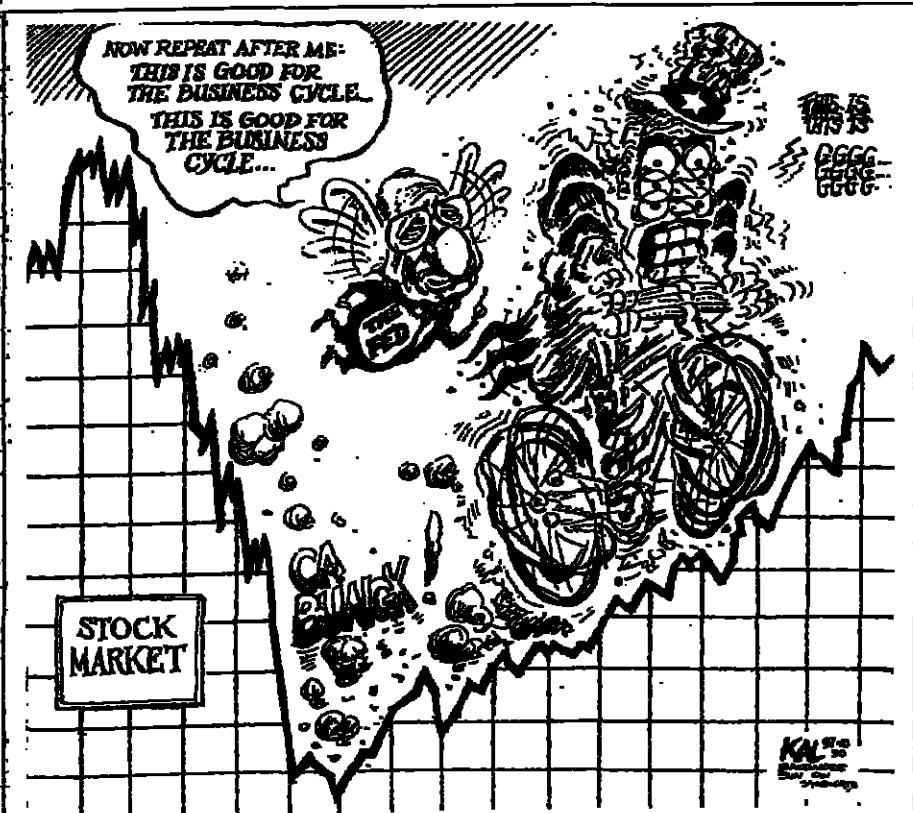
While other people in the world turn to democracy and capitalism to improve their lives, the Russians dream of a dictator who will return them to greatness and power. This, however, again would be at the expense of their neighbors whom the Russians want to again suppress, terrorize, exploit, and degrade. And Max van der Stoep thinks they're different.

RESPONSIBLE? While the younger Russians cannot be legally held responsible for past Russian crimes, they also cannot benefit from or inherit any gains from those crimes. "A father robs a bank, runs home with the money and places it in the hands of his little son. Police arrive and arrest the father/robber. Will they let the little innocent son keep the money? Of course not. It will be taken from him and returned to its rightful owners." In the same way Russians 1939-1991 stole a Latvian Latvia from the Latvian people. Now they have been caught at it. Now they have to return it to the Latvians, and the only way to do that is to repatriate all 1 million illegal, genocidal, Russian colonists who were sent there by Stalin to Russify Latvia.

Max van der Stoep, Kommissar for Minorities, here is a job for you. Repatriate all 1 million Russian colonists from Latvia to empty Russia and you may partly reverse some of your evil deeds of the last six years. Your immorality cannot be described in words. I hope that you don't believe in God, Max, otherwise as you near your end, you should be worried. To sell your soul for O.S.C.E. pension and a bonus if you can help the Russians finish the genocide against Estonians and Latvians will only get you to a warm place, and I don't mean Majorka.

There can be no peace, stability, or cooperation in Europe without justice first. Justice for Estonians and Latvians requires that all Ribbentrop-Molotov and Yalta participant countries repatriate the 1 million Russian colonists from Latvia and 1/2 million from Estonia. Otherwise Europe's list of infamy will grow: Munich, Ribbentrop, Molotov, Chamberlain, Hitler, Stalin, Yalta, O.S.C.E., Max van der Stoep.

Aivars Slucis, M.D.
U.S.A.



LETTERS TO THE EDITOR

Turncoat Activism?

Regarding "Leaders Would Do Better to Pay Attention to Demonstrators" (Opinion, Nov. 3) by Mary McGroarty: Ms. McGroarty, apparently offended by President Bill Clinton's engagement with China, seems nostalgic for "the old days" when America "bombed, invaded and subverted countries that refused to get with" America's program. It is at least ironic that liberal activists, who historically opposed U.S. intervention in developing countries, are now among the most adamant proponents of a foreign policy to aggressively force American views onto other countries. TODD MOSS, London.

Asia's Financial Crisis

Schadenfreude is all too evident in the

International Herald Tribune's coverage of the Asian currency and equity turmoil. References to "triumphal talk," allusion to "cultural values," followed by hyperbole such as "meltdown" and "debris" are suggestive of Westerners' refusal to accept that Asians are no longer their carriers of water and hewers of wood ("In Markets' Debris, a Humble Asia Shows Uncertainty," Nov. 3).

A headline saying that Wall Street was "too healthy right now to succumb to a case of 'Asian flu'" (IHT, Nov. 3) suggested some kind of contagion not altogether different from the "yellow peril."

For every trade, when there are more sellers than buyers the market must fall. It is as simple as that. And it is unnecessary to invoke cultural malaise or hubris.

ANTONIO A. AMADOR, Hong Kong.

A History of 'Vitamina'

Regarding "Vitamina": Is It a Health Kick or a Risky Experiment? (Lettuce, Oct. 30):

The article cogently reveals the confusion endemic in the field. What is omitted, however, is the fact that this controversy has existed since the early years of vitamin research and manufacture, at least from the 1920s. Moreover, "vitamina" is not unique to the late 20th century. The term itself dates to a 1942 article in *Hygiene* (then a publication of the American Medical Association) that criticized the contemporary popularity of vitamin pills.

RIMAD A. APPLE, Madison, Wisconsin.

The writer, a professor at the University of Wisconsin, is the author of "Vitamins in American Culture."

HEALTH/SCIENCE

An Intrepid 500 May Have Been Ancestors of Us All

By Nicholas Wade
New York Times Service

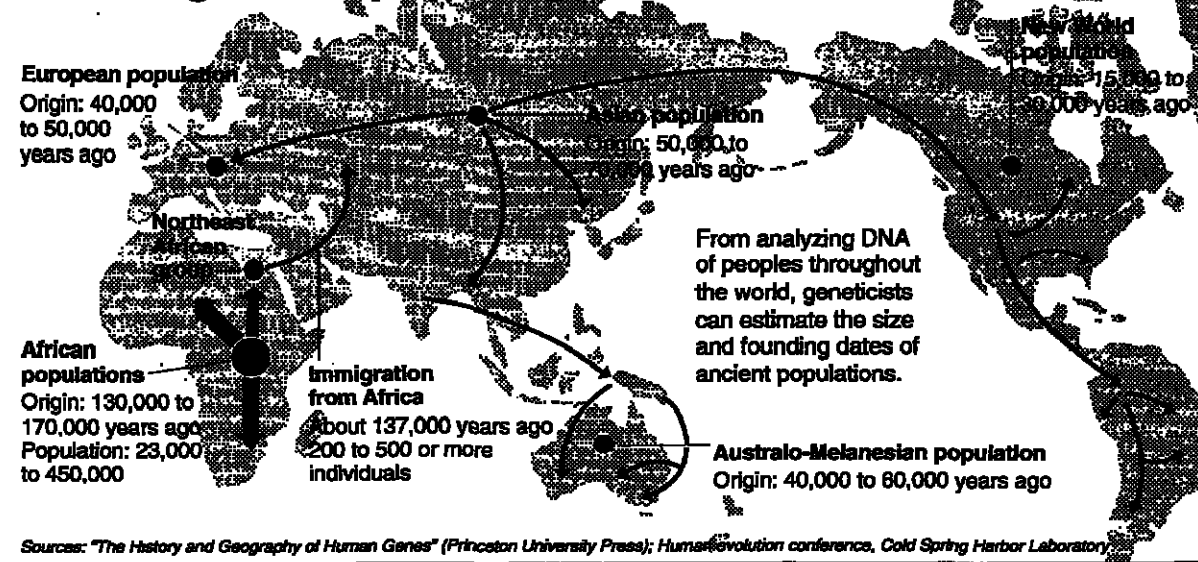
COLD SPRING HARBOR, New York — As few as 500 or so people, trekking out of Africa 140,000 years ago, may have populated the rest of the globe.

These estimates are derived from a novel kind of archaeology, one that depends not on pick and shovel but on delving into the capacious archive of the human genome.

Dates and numbers based solely on genetic evidence are unlikely to be fully accepted until historians and archaeologists have had their say. But they afford a glimpse of the rich historical information embedded in the DNA of each human cell. Because of rapid methods for sequencing, or reading off, the chemical letters of DNA, geneticists are gathering reams of data about human populations. But methods of interpreting the information are still a work in progress. At a conference on human evolution last month at the Cold Spring Harbor Laboratory, population geneticists reported new analyses confirming that the origin of the human species is to be sought in Africa. They also discussed other inferences that can be teased out of genetic data, like estimates of the size and location of ancestral populations and the timing of the migrations out of Africa.

The geneticists' calculations depend on a number of assumptions, and tend to yield dates that have wide margins of error, a source of frustration to others at the conference. "Why should we worry

Retracing Footsteps Through DNA



about their dates?" one archeologist said to another. "It's they who should worry about our dates."

Still, a method that from a few drops of blood can reach into the dawn of human history is hard to ignore, whatever its current imperfections.

Over all, the genetic variation found among people is very small compared with that among most other species; humans evolved too recently to have accumulated any significant amount of

genetic change or mutations. Still, people are far from being clones and there is a lot of variation for geneticists to track, much of which was present at the emergence of the species.

Movements of populations have been studied in the past by comparing the cell's working parts, the proteins whose structure is coded in DNA. But a coding region of DNA cannot change very much, since mutations will alter the protein it specifies, often with fatal con-

sequences for the individual. Most of the genome, however, is composed of non-coding DNA, where mutations make no difference to the individual since most noncoding DNA has no evident purpose. Mutations in noncoding DNA are ideal for the population geneticist, since they accumulate at a fairly regular rate, yielding the best data as to the diversity and age of different populations.

One result that stands out from genetic samples of people around the world is

that sub-Saharan African populations possess greater genetic diversity than non-Africans. Non-Africans retain just a subset of this diversity, as would be expected when a smaller group breaks away from a founding population, taking only a sample of the full range of genetic variation.

Dr. Mark Stoneking, a population geneticist at Pennsylvania State University, estimated at the conference that the non-Africans had split away from the main human population in Africa 137,000 years ago, give or take 15,000 years. His findings were based on sampling 34 populations around the world and analyzing genetic elements called Alu insertions, small and apparently useless pieces of DNA that have gradually spread throughout the human genome.

The substantial diversity of Alu insertions among African populations suggested that Africans maintained a larger population size through the prehistorical period than those who emigrated, Dr. Stoneking said, as small populations tend to lose their genetic diversity over time.

The original human population is thought to have numbered a few thousand individuals. Studies of mitochondrial DNA, a special category of genetic material that is inherited just through the mother's line, have put the founding human population at a mere 10,000 individuals.

Using genetic markers from the chromosomes, Dr. Sarah Tishkoff, an evolutionary biologist at Penn State, said she and her colleagues had calculated that

the long-term early population was considerably larger, from 23,000 to 447,000 individuals.

The home of the ancestral human population in Africa is not yet known but some signs point toward East Africa. The Turkana people of Kenya show the greatest diversity of any known group in their mitochondrial DNA, said Dr. Elizabeth Watson, of Massey University in New Zealand. This type of genetic material is exempt from the shuffling that creates new individuals and changes only by collecting mutations over time.

DR. Watson said that other peoples of East Africa also had high diversity in their mitochondrial DNA, and that the region of the highest diversity was usually indicative of a species' place of origin. Since fossil remains of early human ancestors have been found at Lake Turkana in Kenya, her proposal is plausible, other experts said.

Dr. Tishkoff believes that the African and non-African populations may have separated in stages. She has found that the Ethiopian Jews who now live in Israel but are believed to be like other Ethiopians genetically, show genetic diversity intermediate between that of Africans and non-Africans, suggesting that they may be descendants of a group that moved away from the main sub-Saharan population and lived perhaps in northeast Africa. Today's non-African populations could have originated from the northeast African group, carrying off even lesser genetic diversity.

Gene Therapy Allows Blood to Bypass Blockages in Legs

By Gina Kolata
New York Times Service

NEW YORK — Gene therapy has prompted patients with hopelessly blocked blood vessels in their legs to grow their own bypasses, researchers said. Most patients in a small study saw a sharp reversal of the predictably downhill course of that type of cardiovascular disease.

The results, reported at the scientific meeting of the American Heart Association in Orlando, Florida, by Dr. Jeffrey Isner of St. Elizabeth's Hospital and the Tufts University School of Medicine near Boston, covered 10 patients. Although that is not a large number, some experts said the study was a rare demonstration of a clinical benefit from gene therapy and might be pivotal.

Dr. Isner and his colleagues injected genes into legs, eliciting the growth of a web of hairlike blood vessels that rerouted blood around the blockages and could be seen with X-ray and magnetic resonance imaging.

As a result, he reported, three patients who had been scheduled for amputations avoided them entirely because blood flow improved so markedly. For six other patients, severe and unrelenting pain lessened; two of them, who had been scheduled to lose legs, each lost a toe to amputation. In some cases, gangrene cleared up. Only one of the 10 patients failed to respond.

A paper describing the results has been accepted for publication in the journal *Circulation*, Dr. Isner said.

In addition to using a small number of patients, the study lacked a group that received a placebo for purposes of com-

parison. Medical experts urged that the work be repeated in a large study with such controls.

Until then, said Dr. R. Sanford Williams, chief of cardiology at the University of Texas Southwestern School of Medicine in Dallas, "we have to be extremely cautious and avoid giving false hope."

Nonetheless, some experts said, the results were compelling. The patients, after all, were in the final stages of a devastating disease. There was essentially no chance that their conditions would improve on their own. And never before, some experts said, had gene therapy actually resulted in the clinical improvement of a disease.

"This could be a pivotal study," said Dr. James Wilson, director of the Institute for Human Gene Therapy at the University of Pennsylvania.

Dr. Stuart Orkin, a professor of pediatric medicine at the Harvard Medical School, said, "It is one of the first, if not the first, times that gene therapy has resulted in a clinical improvement."

Dr. Orkin is co-chairman of a committee convened by Dr. Harold Varmus, director of the National Institutes of Health, to advise him on gene therapy research.

And despite his trepidation about giving false hope, Dr. Williams said, he found the results thrilling. When some of the patients' histories are described, he added, "you have to say, 'Wow.'"

Each year 30,000 to 40,000 Americans develop such severe blockages in their leg arteries that they have excruciating pain or ulcers on their legs that do not heal. For those patients, unlike people with blocked coronary arteries, there is no effective drug therapy.

Instead, they face eventual amputations, as the lack of blood flow leads to infections and gangrene.

Dr. Isner said that 20 percent of those patients died in the hospital and that 40 percent died within a year of the surgery. His patients, Dr. Isner said, had the most to gain and the least to lose from gene therapy.

The study exploited the remarkable properties of a gene known as the vascular endothelial growth factor, or vegf, that is thought to be the body's signal to grow new blood vessels.

The idea was to inject vegf genes directly into muscle cells near the blockage and allow the muscles to take up the gene and use it to make vegf protein. About 5 percent of the billions of genes that Dr. Isner injected actually went into muscle cells and were used by them.

Upon taking up the genes, the muscle cells secreted the vegf protein, which made its way to nearby blood vessels.

Normally, vegf would not avidly attach itself to cells that line the blood-vessel walls. But when a vessel is blocked, the cells just beyond the block-

age, which are starved for blood, become very sticky for vegf. And so the vegf proteins presumably attached themselves to the exact sections of the blood vessels where they were needed.

With vegf stuck to their surfaces, the cells started to sprout a network of threadlike blood vessels. When that happens, for reasons that are still mysterious to researchers, the new vessels wind their way around the blockage and form an alternative pathway for blood.

Any vegf that did not attach to cells near the blockage was swept away by the bloodstream and degraded. The muscle cells secreted vegf only for several weeks, just long enough for the body to grow its bypasses.

"When we began our study," Dr. Isner said, "we had no idea what dose of gene therapy was going to work or if the way we were injecting the genes was appropriate or if the sites we were injecting were appropriate. I have to admit, we really lucked out."

BOOKS

NEIGHBORS AND STRANGERS:

The Fundamentals of Foreign Affairs

By William R. Polk. 366 pages. \$24.95. The University of Chicago Press

Reviewed by John K. Cooley

WILLIAM POLK has compressed a lifetime of scholarship, diplomacy, travel and inspired writing into this thoughtful, sometimes whimsical, but never boring account of how human beings have behaved toward each other, from Neanderthal times to the nuclear age. Its factual but seemingly humdrum subtitle belies the charm and fascination of the book. Polk analyzes, with hundreds of trenchant anecdotes and episodes, how people in all the world's tribes, societies and nations have conducted personal, family, diplomatic and trade relations, as well as espionage and warfare since history's dawn.

Getting along with foreigners — the familiar (or otherwise) neighbor as well as the total stranger — through war-making and peace-seeking, intrudes daily into our lives. In his career as a historian at Harvard and the University of Chicago, as an adviser to Presidents John Kennedy and Lyndon Johnson on the Middle East, in his histories, novels and intellectual adventures, Polk has constantly studied one major theme, which is the core of this book. It is how "fear of the foreigner," and concern with the similarities or differences with neighbors, govern our behavior.

In his introduction, Polk describes how his time in the late 1960s as president of the Adlai Stevenson Institute of International Affairs drew him out of constraints binding the conventional historian and into the work of "archaeologists, anthropologists and historians of other civilizations and in such new

fields as sociobiology and ethnology." Nor does he hesitate, in his chapter on intelligence, counterintelligence and the ancient profession of the spy, to draw on the real-life fictions of such authors as Graham Greene, John le Carré and others.

Starting out with biology, Polk first shows how the human body, like that of other animals, distinguishes between "us" and "them"; the friendly organisms, such as bacteria and defensive cells, that protect against the hostile ones that attack. "Primitive" societies, like the Australian aborigines so dear to writers like Margaret Mead, or Bushmen who still survive in Africa today, show responses which we, in our glitzy Western societies or in giant, complex cultures like that of China, also use when we deal with "aliens."

Next, Polk delves into the clashes of ancient civilizations — like the Assyrian, who came "down like the wolf on the fold" with its purple and gold cohorts — with their neighbors. Wall-building, from ancient Jericho to Rome, became an art, as well as a necessity to keep out the "strangers" and to help gather together and defend friendly "neighbors" against common enemies.

In a section on how armies and warfare evolved from stone and spear fights of Cro-Magnon or Bronze Age times to the missile technology of today, the author spends less time on weapons systems than he does on the human quivers that guide generals and soldiers willing or otherwise, into making war rather than love. Trade and aid come next; how people, through the ages, "swapped what they had," whether beaks or grain, "for what they wanted," whether bark canoes or jet planes. Here, the unofficial role of the merchant or businessman in conduct of foreign affairs and more often, in espionage, comes in for mention.

This leads Polk naturally into recall-

ing how people, nations and alliances, from the Greek city-states, Rome and Carthage down to NATO and the Warsaw Pact, spied on one another to learn secrets, and how some waged covert warfare to "destabilize" real or potential enemies. Governments also have often hired "mercenary" advisers: Turks hiring Greeks; English using Dutchmen and "practically everyone having recourse to Italians, who in the Renaissance, at least, were considered the most subtle practitioners."

THE concluding section is "Getting Rid of the Alien," describing behavior patterns of host societies in ejecting or massacring unwanted people, nowadays called "ethnic cleansing," whether in the Nazi holocaust, the Turkish-Armenian massacres of 1915; the Balkans before World War I and since World War II or the Middle East and parts of Africa almost incessantly. Polk does not spare his own United States and its progressive aggression and attrition against the Indians. His recounting of the unspeakable cruelties of slavery and the slave trade, from the Portuguese in the 15th century to the Anglo-Americans in the 19th, leaves nothing to the imagination.

There are many entertaining and some chilling tales; such as the assumption described in recent and well-documented accounts based on the secret work of World War II codebreakers, of how Winston Churchill may have deliberately drawn President Franklin D. Roosevelt into that war by failing to pass on to him Japanese naval orders, deciphered by Britain but not the United States, for the surprise Pearl Harbor attack in December 1941.

John Cooley, an ABC News correspondent covering the Middle East, wrote this for the International Herald Tribune.

Prehistoric Site Found in Surrey

By Dan Balz
Washington Post Service

WASHINGTON — British archaeologists have announced the discovery of an enormous prehistoric ceremonial site in rural England that they said is larger than and as significant as Stonehenge, one of this country's most visited historical attractions.

The buried site at Stanton Drew in Surrey was discovered unexpectedly this fall during a routine geophysical survey of an archaeological site containing three stone circles. Scientists long had known of the existence of those stone circles, which had drawn little attention over the years because of their remote location. But what the scientists found through the geophysical survey was a much larger and far more significant site beneath the ground.

The archaeological surveys suggest that it was the site of a huge, circular timber temple that predated the stone circles and that could give scientists a better understanding of the tribes that inhabited England in prehistoric times. The site dates to between 3000 B.C. and 1500 B.C.

Geoffrey Wainwright, the chief archaeologist at English Heritage, which carried out the surveys, could barely

contain his enthusiasm over the find. "This is quite extraordinary," he said. "I'm bowled over by it."

Dr. Wainwright said the buried site at Stanton Drew is roughly twice as large as Stonehenge and that it is one of just eight timber temples known to exist in England. "Stanton Drew is quite the biggest and most complex of all," Dr. Wainwright said. "It was really a very, very dramatic structure."

Scientists believe the ceremonial sites or temples were used in early agricultural societies to attempt to manipulate the supernatural to assure adequate rainfall for crops or the expansion of herds of cattle or sheep. The timber temples were symbols of power and influence used for making offerings.

But Dr. Wainwright said experts do not know much about the period and how societies were organized and related to one another. The Stanton Drew site may offer clues to the territorial relationships among these tribes, in addition to the knowledge it will provide about the structure of the temples themselves.

The discovery came after English Heritage decided to survey the site, which is on privately owned farmland, when it changed hands.

"We got more than we bargained for," Dr. Wainwright said.

The Stanton Drew site contains three stone circles, the largest of which is known as the Great Circle. The survey carried out this fall with the help of magnetometers, which measure magnetic forces, revealed that the Great Circle was surrounded by an enormous ditch approximately 135 meters in diameter.

But more significant was the discovery of what English Heritage called "a highly elaborate pattern of buried pits," which were arranged in nine concentric circles, varying in diameter from about 25 meters to 100 meters.

THE pits appear to be about a meter in diameter and lie about a meter from one another.

Based on work at similar sites elsewhere in the country, scientists believe the pits supported huge wooden timbers standing upright, although it is not clear whether they supported a roof of any kind. What heightens the interest of archaeologists here is that the circles at Stanton Drew are significantly larger than at other such sites, and there are many more of them.

English Heritage, which oversees the country's man-made historical sites, has no plans to excavate the site at Stanton Drew. Dr. Wainwright said he doubts that it will become a tourist attraction comparable to Stonehenge.

CROSSWORD

ACROSS

- 1 Scratch the surface of
- 4 "No bid"
- 6 People person
- 14 Old Foghorn, e.g.
- 16 "I Fall to Pieces" singer
- 18 Twinkle-toed
- 19 Nonverse
- 21 Pugnacious sweethearts?
- 26 Irons on stage
- 28 April honoree
- 29 Hurricane heading: Abbr.
- 36 Kind of cleaner
- 38 Curly do
- 39 Sweater

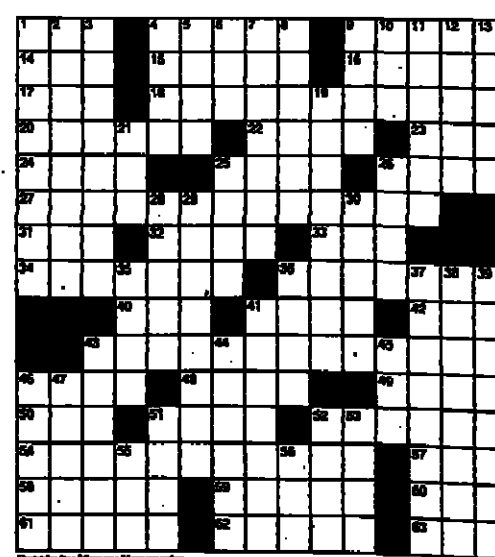
DOWN

- 27 Girls who love books?
- 31 Hang it all
- 32 Casanova
- 33 Waiting period, seemingly
- 34 It runs in the rain
- 36 Midwest city where Orson Welles was born
- 38 Non-sartrilings, briefly
- 41 Prefix with dose
- 42 Four times a day, in prescriptions
- 43 Dog show event?
- 46 Sales foe

Solution to Puzzle of Nov. 12

VET MARG ARSON
ABOUT ELIA ROMEO
NORA TEAS APART
YANKEES CUPPER
ATLANTA SCISSOR HANDS
PAM HARE ONEAL
YEAR MOPED EMBE
GREED TEAR SET
MILLER BARBER
YES SUE DECAF
THERAZOR SEED
JUNIOR TAPE DRAW
AFOOT RUTH BONE
ROMPS NEED MAIN

- 10 Cause of conflict, maybe
- 11 Adds zest to
- 12 1985 Nelligan film
- 13 Under siege
- 15 Zip
- 20 Quasara water
- 26 Lotto variant
- 28 Breathing fire
- 29 Viking shipmate
- 30 Destroyer
- 31 Old "What's My Line" panelist
- 36 Ohio college town
- 37 Tide, e.g.
- 38 Brahman's belief
- 39 Making canoe
- 41 Champ
- 42 Marketplace
- 44 Tenuous
- 45 Ab — (from day one)
- 46 White collar crime
- 47 "Aries, fair sun, and kill the envious moon" speaker
- 51 In the company of
- 52 Slash mark?
- 53 That lady's
- 55 When doubled, a Gebor
- 56 Wine improver



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BRIDGE

By Alan Truscott

HE most charismatic player in the world championships in Tunisia last month was Zia Mahmood of Manhattan, a celebrated globe-trotter. In the past he has played in world championships for his native Pakistan, and twice led his team to the final of the Bermuda Bowl, but now he was representing the United States for the first time.

He and his teammates, Seymour Deutsch, Michael Rosenberg, Paul Soloway, Chip Martel and Lew Stansby, were eliminated in the semifinal, but they made an elegant fashion statement. As a tribute to Zia, they appeared one day in long white

Pakistani robes. This proved difficult for Martel, who is the smallest member of the team and had been supplied with an extra large robe. Whether to shrink the robe or enlarge Martel was the problem, and the former proved simpler.

On the diagramed deal from the qualifying stage, Zia's Indian opponents charged briskly into six clubs. Rosenberg doubled with the East cards, judging that South was gambling and that he could afford to raise the ante. It can be seen that South had problems in both black suits, and that the contract was a poor one.

Usually such a double is lead-directing, but with only one suit bid it is hard to see what it could direct here. Zia led the spade jack, which was

just as well for the defense. On a red-suit lead South would have been forced to lay down the club ace. That would have had a happy result, and he would then have been able to enter dummy for a spade play.

Rosenberg won with the spade ace and returned his trump, giving South much to think about. His double suggested that he thought he had a trump trick, and his trump return might well be an attempt to talk South of the trump finesse, available after entering dummy with a spade ruff. So after much agony South finessed and was down one.

Rosenberg's team gained 10 imps, for in the replay North-South were not unanimously content to play in five clubs. Zia promptly chastened East's

effort the Balmoral Coup, partly because he had recently visited that Scottish town favored by royalty, and partly because Rosenberg is a Scot.

NORTH
♠ 8
♥ Q 8 7 2
♦ 8 4
♣ J 8 8 7 3

EAST
♠ A Q 7 2
♥ J 6 5
♦ Q 8 5 3 2
♣ 6

WEST
♠ J 10 9
♥ K 10 9 4 3
♦ 7 10 9 5
♣ K

SOUTH
♠ A 1 3 4
♥ A K
♦ A Q 10 5 4 2
♣ A K

Neither side was vulnerable. The bidding:
South West North East
1♣ Pass 3♣ Pass
6♣ Pass Pass
Pass Pass Pass Pass

West led the spade jack.

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BMW Sets Stage to Bid For Rolls

German Firm Applies Pressure to Block Rival

LONDON — Bayerische Motoren Werke AG emerged Wednesday as a likely buyer of Rolls-Royce Motor Cars Ltd. after Mayflower Corp. bowed to BMW pressure and said it would not bid for the British carmaker's owner.

Mayflower said it would not offer to buy Vickers PLC, which has put Rolls-Royce up for sale, after BMW threatened to stop delivering engines to the British defense company's car unit if Mayflower acquired Vickers.

"It shows that BMW is prepared to play hard ball to get Rolls-Royce from Vickers," said Daniel Bevan, an analyst at Credit Lyonnais in London.

Vickers put its Rolls-Royce Motors subsidiary up for sale three weeks ago and BMW declared an interest. The move also prompted Mayflower to announce plans for a full-scale takeover offer for Vickers.

Analysts said BMW used its corporate and financial muscle to scupper that deal, which they said may have valued Vickers at more than £1 billion (\$1.7 billion).

Rolls-Royce, which makes Rolls-Royce and Bentley cars, would be one of the last of the British luxury carmakers to fall into foreign hands, as high costs have prompted them to seek help from larger automakers.

BMW said it "continued to be interested in acquiring Rolls-Royce," but declined to specify whether or when it would make a bid, citing London Stock Exchange regulations.

Analysts said it would take several months before BMW would make a formal bid, while Vickers said the auction for Rolls-Royce is expected to last until March, although the closing date could be brought forward.

Analysts said previous estimates of Rolls-Royce's value at £300 million to £400 million could be too high because BMW's contract to design and build engines for Rolls' next generation of luxury cars has given the German carmaker the upper hand in negotiations.

Sources close to the Mayflower negotiations said that BMW's threat to terminate the engine supply contract is likely to put off potential buyers for Rolls-Royce.

"There is nothing to stop BMW from doing to others what it did to Mayflower," a source said. "It could frighten off potential buyers, leaving the field clear for itself."

Simon Miller, an analyst at Union Bank of Switzerland, said: "Anyone stumping up to buy it that doesn't meet BMW's approval has a big problem. You would really have to redesign the car."

BMW shares fell 35 Deutsche marks (\$20.48) to 1,165 DM.

Volkswagen AG declined to comment on a German magazine report it was interested in bidding for Rolls, saying: "No confirmation, no denial, no comment." (Bloomberg, AFP)



Tokyo stock traders trying to complete their transactions as the Wednesday session neared its close and the benchmark Nikkei index hit a new low for the year. The turmoil spread around the world, especially to Brazil.

Starwood Prevails Over Hilton's ITT Bid

NEW YORK — ITT Corp.'s shareholders on Wednesday backed Starwood Lodging Trust's \$13.7 billion takeover bid, ending Hilton Hotel Corp.'s 10-month pursuit of the hotel and casino company.

ITT shareholders voted 2-to-1 to reject the company's directors, rejecting Hilton's rival slate and its offer of \$12.8 billion, or \$80 a share.

ITT's chairman, Rand Araskog, said the company remained up for sale, although he added that Starwood's \$85-a-share offer would be hard to beat.

The deal with Starwood would combine ITT's Sheraton and Caesars units with Westin hotels, which Starwood is in the process of buying.

ITT's stock fell \$7.50 cents on Wednesday to \$75.25, while Hilton rose 12.50 cents, to \$31.125, and Starwood fell \$1, to \$54.25.

"The more attractive offer won," said Jamie Handwerker, an analyst with Furman Selz LLC.

With ITT, Starwood would have 650 hotels in 70 countries and annual revenue of more than \$10 billion.

"They've become a far more significant game in town," said John Rohs, analyst at Schroder & Co.

Final tallies of the votes from the company's annual shareholders meeting could take weeks to be released, but Mr. Araskog said the margin in favor of re-electing ITT's board was "substantial."

Specifically, shareholders were asked to choose between a slate of directors proposed by Hilton and re-electing ITT's current board. If the Hilton

slate had won, the new directors would have accepted Hilton's bid.

Hilton executives had no comment.

Hilton's offer was lower than Starwood's sweetened proposal, but Hilton argued its was superior because it included more cash and stock. In addition, Hilton said its stock was more realistically valued than Starwood's.

ITT investors are betting that Starwood's mostly stock offer will be worth

more than Hilton's cash-rich bid. Starwood's share price, which has jumped 82 percent the past year, and its growth prospects were deciding factors.

Starwood plans to combine Sheraton with the Westin Hotel & Resorts chain it plans to buy for \$1.6 billion, giving it two of the better-known brands that are operating in the fast-growing upscale hotel market.

Starwood's chairman and chief executive, Barry Sternlicht, said this week that Westin was the equivalent of a four-star hotel, while Sheraton was a three- and-a-half-star franchise.

"It's a perfect fit," he said. "Sheraton and Westin will create efficiencies and diversity of product, and we will have the capital to grow the brands overseas."

ITT's shareholder meeting was standing-room only, overflowing into the adjoining penthouse and several other rooms at New York's St. Regis hotel, which is owned by ITT.

Institutional Shareholder Services, an influential group that advises big shareholders, recommended last week that voters re-elect ITT's current board. ITT

said the group advised holders of about 20 million ITT shares, or 16 percent of its outstanding shares and options.

ITT is a much smaller company than when Hilton made its first bid. Before finding a rescuer in Starwood, ITT sold off several assets — including its half interest in Madison Square Garden and a business-and-sports television venture with Dow Jones & Co. — to focus its business on hotels and casinos.

"The only reason those were sold was to fend off Hilton," said Louis Ehrenkrantz, president of Ehrenkrantz King Nussbaum, an investment company in New York. "Was the old company with all those assets better than the new company? I think so."

Both sides have campaigned aggressively, buying full-page newspaper advertisements this week that boldly attacked the opposing bid. The heads of both companies also have impressive resumes to back their efforts.

Mr. Sternlicht has built the Phoenix-based Starwood through acquisitions into America's largest real estate investment trust and a stock market high-flyer.

The list of achievements of Hilton's chief executive, Stephen Bollenbach, includes helping keep Donald Trump out of bankruptcy and playing a key role in Walt Disney Co.'s acquisition of the ABC network.

Hilton faces an uphill battle without ITT because there are not many large takeover candidates remaining in the hotel business. Where's that growth going to come from? asked Brad Cohen, analyst at Sands Bros. & Co. "There's a credibility question with management," he said. (AP, Bloomberg)

WALL STREET WATCH

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Bears Dig Into Brazil As World Stocks Slump

Fed Holds Rate Steady but Dow Tumbles 2%

By Erik Ipsen
International Herald Tribune

NEW YORK — Waves of nervous stock selling swept around the globe again on Wednesday, landing with a roar on the Tokyo and Hong Kong exchanges.

Stocks in Tokyo and Hong Kong pushed London, Europe's largest market and the one with the most direct ties to Asia, down more than 1.5 percent. The nervousness spread to Wall Street, where the Dow Jones industrial average tumbled more than 2 percent.

Meanwhile, in Latin America's linchpin market, Brazil, trading was halted for 30 minutes after the key index plunged 10 percent, following deteriorating forecasts for economic growth and fears for the stability of the Brazilian currency, the real.

The key Bovespa stock index fell 888.83 points to 7,822.01.

In Washington, where Federal Reserve Board policymakers met to consider a possible increase in interest rates, the dilemma was acute. With American unemployment at a 24-year low and wages rising at their fastest pace in eight years, the Fed would in otherwise normal circumstances apply the brakes by raising interest rates.

Analysts, however, had bet that increasingly brittle financial markets around the world would convince the central bank to simply sit on its hands. In fact, at the end of its meeting Wednesday, Fed officials left the target federal funds rate unchanged at 5.5 percent.

Confidence that interest rates would not be rising helped the selling waves in equity markets to subside on American shores.

Having been down nearly 90 points in the morning, the Dow Jones industrial index had climbed back to relatively minor losses by midday, only to turn downward again after the Fed meeting and the Brazilian plunge.

The Dow closed down 157.41 points at 7,401.32.

"We keep hearing a lot about global overcapacity and the threat of deflation, but everything here in America still seems to be O.K., and the public continues to buy stocks every time the market drops," said Larry Rice, chief investment officer for the brokerage Josephthal Lyon & Ross.

As the crisis sweeps out of the financial markets and into the real economies in Asia and Latin America, however, that confidence grows ever shakier. On Wednesday, Brazil's largest carmaker, Volkswagen, announced that it would shut its assembly line for six days this month.

Earlier in the week, Ford Motor Co. had warned that its big Brazilian operations may not break even next year. Similar fears have in the past three weeks wiped more than 20 percent off the value of another carmaker with a big Brazilian stake — Italy's Fiat.

To defend its currency, the real, the Brazilian government has doubled interest rates in the past two weeks, and on Tuesday it followed that up with a major round of fiscal belt-tightening.

"Under the circumstances it is not at all surprising that people are now avoid-

ing the Brazilian stock market," said Marilyn Skiles, head of Latin American economic research at Chase Manhattan Bank.

Those same factors have led Chase to cut its growth forecasts for the Brazilian economy next year to 1 percent from 4 percent. Others find even that too optimistic, penciling in no growth at all for next year.

If the government loses its battle to prop up the real, the consequences could be grave for Brazil and its neighbors.

See MARKETS, Page 12

Brazilians Tightening Their Belts

Blumberg News

SAO PAULO — When Denise Guzman, a language teacher living abroad, arrived in Sao Paulo to visit her family, she was greeted with a shock: The airport exit tax had just been raised more than fourfold, to \$90 from \$18.

"This is just horrible," said Ms. Guzman, who lives in Mexico and visits her native Brazil only when she gets discounts on airfare. "I had no way of preparing for it. How is anybody going to travel with a rate hike like that?"

Ms. Guzman and 160 million other Brazilians are already feeling the effects of the "pacotao," an \$18 billion austerity package introduced this week to shield the world's eighth-largest economy from the market swings rocking economies from Thailand to Russia.

The government, in a display of its will to protect its three-year-old currency, the real, told Brazilians they would have to swallow several bitter pills to ensure that the real retains its value and to keep inflation at bay.

About 33,000 public servants will be dismissed. Personal income taxes will be increased by 10 percent. Gasoline prices will rise by about 5 percent. Taxes on new cars and beer will go up. Duty-free shopping at airports will be reduced.

The measures come a week after the central bank doubled interest rates to stem a decline in foreign reserves. Concern that the turmoil in some Southeast Asian economies could trigger a recession in Brazil has already led the Bovespa index for the Sao Paulo stock exchange to lose more than a third of its value.

"We have to face this crisis," Planning Minister Antonio Kandir

See BRAZIL, Page 12

Gazprom's Postponement of Bond Offering Gives White House Breathing Room

By Steven Erlanger
New York Times Service

WASHINGTON — This week's postponement of a bond offering to raise money for a project to explore for natural gas in Iran temporarily heads off a decision by the Clinton administration about whether to impose sanctions on the company involved.

The Russian natural gas monopoly, Gazprom, cited uncertain market conditions in announcing the delay in the \$1 billion to \$3 billion bond issue that had put the White House in an awkward position.

The lead underwriter for Gazprom is the U.S. investment bank Goldman, Sachs & Co., which might be found liable for its role under a federal law aimed at punishing Iran.

The law — the 1996 Iran-Libya Sanctions Act, which was devised to punish companies that invest more than \$20 million in Iran's energy sector — is being challenged by this deal, a \$2 billion contract to pump natural gas signed by Gazprom, Total SA of France and the Malaysian oil company Petrolina Nasional Bhd., known as Petronas.

Gazprom's postponement of the bond issue gives the Clinton administration and its

allies time to come up with a solution, but it does not make the problem go away.

At the White House on Tuesday, key cabinet secretaries met in a so-called principals' meeting to discuss the competing interests involved — American national security, deterrence of Iran, relations with allies, relations with Russia, and the impact of a new sanctions on the reputation of American markets.

"This is a very tough one," a senior administration official said. "There are a lot of competing interests, and the coherence of our Iran

policy is at stake."

Stopping the Gazprom financing would punish a company partly owned by the Russian government, that is vital to the success of Russia's shaky market economy. It would also punish Goldman, Sachs, a big contributor to Mr. Clinton's campaign whose former co-chairman is Treasury Secretary Robert Rubin, without stopping any other foreign company from underwriting Gazprom.

Stopping the financing would also short-circuit a process of investigation of the companies, called for under the law, and disrupt negoti-

ations with European allies about how to deal most effectively with Iran and its efforts to develop weapons of mass destruction and the missiles to deliver them.

Adding to the pressure on the administration, Congress had begun to discuss how to punish Goldman, Sachs, and is already holding up the issuing of further Export-Import Bank credits to Gazprom.

No one at Goldman, Sachs would comment on the Gazprom announcement. While Gazprom has good financial reasons — turbulent stock and debt markets in Russia — to postpone the bond

offering, both it and Goldman, Sachs have good political and strategic reasons not to challenge the Clinton administration now, U.S. officials said, just when it is trying to salvage its Iran policy without starting a sanctions war with the rest of the world.

■ **Malaysia 'Hearing'**

Malaysia will receive William Ramsay, the U.S. deputy assistant secretary of state for energy, sanctions and commodities, next week, and "allow him a hearing" to explain the Iran-Libya Sanctions Act, Bloomberg News reported from Kuala Lumpur.

The state-run news agency Bernama quoted Malaysia's Foreign Ministry as repeating the government's position that the U.S. act "does not apply" to Petronas.

"Malaysia is vigorously opposed to the extraterritorial provisions of the Iran-Libya Sanctions Act that prescribes unilateral sanctions," the Foreign Ministry said.

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CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	Nz	HK
American	1.00	0.65	1.93	6.55	106.5	136.5	163.5	1.25	7.75
British	1.55	1.00	2.93	9.85	163.5	208.5	253.5	1.90	11.75
French	6.55	2.93	1.00	1.65	163.5	208.5	253.5	1.90	11.75
German	1.93	0.34	1.00	1.65	163.5	208.5	253.5	1.90	11.75
Italian	163.5	208.5	253.5	1.00	1.65	1.65	1.65	1.65	1.65
Japanese	106.5	163.5	208.5	163.5	1.00	1.65	1.65	1.65	1.65
Swedish	136.5	208.5	253.5	253.5	208.5	1.00	1.65	1.65	1.65
Swiss	163.5	253.5	253.5	253.5	253.5	253.5	1.00	1.65	1.65
New York	1.00	0.65	1.93	6.55	106.5	136.5	163.5	1.25	7.75
Paris	6.55	2.93	1.00	1.65	163.5	208.5	253.5	1.90	11.75
Tokyo	106.5	163.5	208.5	163.5	1.00	1.65	1.65	1.65	1.65
Zurich	163.5	253.5	253.5	253.5	253.5	253.5	1.00	1.65	1.65
1 ECU	1.36	0.87	2.39	7.98	127.34	159.89	192.44	1.51	9.00
1 SDR	1.36	0.87	2.39	7.98	127.34	159.89	192.44	1.51	9.00

Libid-Libor Rates									
	1-month	3-month	6-month	9-month	1-year	2-year	3-year	5-year	10-year
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
2-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
5-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
10-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

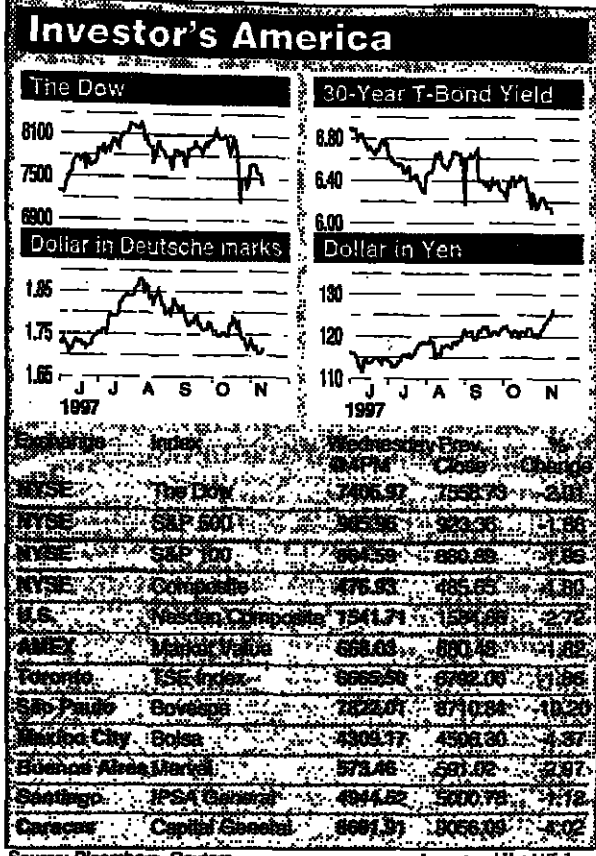
Key Money Rates									
	1-month	3-month	6-month	9-month	1-year	2-year	3-year	5-year	10-year
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
2-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
5-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
10-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Other Dollar Values									
	Per \$	Per £	Per DM	Per FF	Per Yen	Per Sc	Per Sw	Per Nz	Per HK
American	1.00	0.65	1.93	6.55	106.5	136.5	163.5	1.25	7.75
British	1.55	1.00	2.93	9.85	163.5	208.5	253.5	1.90	11.75
French	6.55	2.93	1.00	1.65	163.5	208.5	253.5	1.90	11.75
German	1.93	0.34	1.00	1.65	163.5	208.5	253.5	1.90	11.75
Italian	163.5	208.5	253.5	1.00	1.65	1.65	1.65	1.65	1.65
Japanese	106.5	163.5	208.5	163.5	1.00	1.65	1.65	1.65	1.65
Swedish	136.5	208.5	253.5	253.5	208.5	1.00	1.65	1.65	1.65
Swiss	163.5	253.5	253.5	253.5	253.5	253.5	1.00	1.65	1.65
New York	1.00	0.65	1.93	6.55	106.5	136.5	163.5	1.25	7.75
Paris	6.55	2.93	1.00	1.65	163.5	208.5	253.5	1.90	11.75
Tokyo	106.5	163.5	208.5	163.5	1.00	1.65	1.65	1.65	1.65
Zurich	163.5	253.5	253.5	253.5	253.5	253.5	1.00	1.65	1.65

Forward Rates									
	30-day	90-day	180-day	360-day	1-year	2-year	3-year	5-year	10-year
American	1.7553	1.7034	1.7012	1.6995	1.7229	1.7242	1.7242	1.7242	1.7242
British	1.4057	1.4045	1.4025	1.4010	1.4010	1.4010	1.4010	1.4010	1.4010
French	1.7104	1.7047	1.7048	1.7048	1.7048	1.7048	1.7048	1.7048	1.7048

Source: (INS Bank (American); Citi Investment Bank (British); Banca Commerciale Italiana (Italian); Banque de France (French); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Canada); Deutsche Bank (German); Societe Generale (French); Societe Generale

THE AMERICAS



Very briefly:

- Microsoft Corp.'s chairman and chief executive, Bill Gates, filed with the Securities and Exchange Commission in recent weeks to sell 2.5 million shares of the software company, which is less than 1 percent of his stake but is worth about \$282 million, as the stock hovered near a four-month low. It is nevertheless up about 57 percent this year.
- IES Industries Inc.'s plan to merge with two neighboring Midwestern electric companies, WPL Holdings Inc. and Interstate Power Co., creating a \$2 billion company called Interstate Energy, was approved by the Federal Energy Regulatory Commission.
- Apple Computer Inc. said it had sold \$500,000 worth of computers in its first 12 hours of direct selling on the Internet, starting at midday Monday.
- Aerospaciale will join forces with the U.S. company Skybridge to create a satellite service of high-speed data transfer for the Internet and multimedia.
- Federated Department Stores Inc. said third-quarter earnings rose 53 percent from a year ago, to \$105.1 million, on lower costs. *Bloomberg, AFP, APX*

McDonald's Robot: Fries With That?

The Associated Press

CHICAGO — McDonald's Corp. said Wednesday that it would introduce a type of restaurant that aims to put the "fast" back in fast food and lure more customers into its U.S. outlets.

The company demonstrated the new technology, which is being tested in 500 stores across the United States that virtually automates the ordering process. A computer-monitored machine makes the fries. Other robot machines prepare drinks, and computers instantly convey orders to human cooks.

A computer even "senses" increases in customer traffic and orders workers to make up particular sandwiches in advance. It can also perform analyses that tell owners the right number of workers for any given hour of the day or week.

Doubts on Japan Economy Lift Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar moved higher Wednesday against most other major currencies, surging against the yen, but piling gains against the Deutsche mark after the Federal Reserve Board left rates unchanged.

While the Fed's decision was widely anticipated, it left open the possibility that interest rates in Germany may rise before they do in the United States.

"The Bundesbank has tightened and it may tighten again," said Steve Gallagher, an economist at Societe Generale. "That's why the dollar is falling."

Even though the dollar pared gains, it was at 1.7175 Deutsche marks in 4 P.M. trading, up from 1.7045 D.M. The U.S. currency was also at 1.3920 Swiss francs, up from 1.3895 francs and it

rose to 5.7527 French francs from 5.7239 francs. The pound fell to \$1.7045 from \$1.7090.

The dollar had pierced the 126 yen

FOREIGN EXCHANGE

level in Europe and continued past that level amid doubts that Japan's economy can climb out of recession.

The dollar rose to 126.525 yen from 125.045 yen.

"What's brought the dollar here is fundamental concern about the Japanese economic situation and the realization that the only thing left to do is let the currency weaken," said Seth Garrett, global head of spot currency trading at Credit Suisse First Boston.

"The yen's move has been steady but

unrelenting."

With rising exports being one of the few bright spots in the Japanese economy, traders are interpreting silence on the part of Japanese officials as an endorsement of the yen's decline.

The yen has also been undermined by concern that slumping Asian economies and plunging stock markets will fuel instability in Japan's financial industry.

"I think the dollar will rise to 127.50, where there will be some psychological resistance," said Claudio Demolli, a currency strategist at Merrill Lynch. "I don't think Japan's problems will be enough to keep people's minds off the events that caused the dollar to crash in May."

(Bloomberg, AFP)

MARKETS: Brazil Shares Slump as Asia Unsettles World Stocks

Continued from Page 11

rekindling inflation and prompting still higher interest rates and lower economic growth. It could also touch off a series of competitive devaluations akin to those that began in Asia in July with the devaluation of the Thai baht.

"Our view is that investors should shift their money wholesale out of emerging market stocks, bonds and currencies," said James Lister Cheese, an analyst at Independent Strategy in London.

The firm suggests that investors skip equities entirely in favor of the safe havens of the bond markets in big developed economies.

Such pessimistic views were bolstered Wednesday by a report out of Hong Kong that estimated that bad debts, money owed to Asian banks outside of Japan by borrowers now unable to repay, will total a half-trillion dollars by mid-1998.

The report from the Perennial Group, a Hong Kong investment house, estimated that one-fifth of all lending in nine Asian countries will go sour.

Just as the world's attention briefly and disastrously became riveted on Hong Kong late last month, attention is now shifting to the world's 11th-largest economy, South Korea.

"The markets are worried about anyone catching a cold from the current contagion of

instability," said Richard Gray, head of emerging market research at the Bank of America in London. "And currently Korea is the number one candidate."

As the world's sixth-largest trading nation, and as a country whose exports of autos and computer chips compete directly with Japan, analysts say that the fate of the Korean won is altogether more important than that of the Thai baht or the Hong Kong dollar.

The nearly 15 percent slide in the value of the won against the U.S. dollar in the year to date threatens to boost Korean exports at the expense of Japan's, where economic growth remains elusive and where the stock market shed another 2.7 percent on Wednesday.

Meanwhile, the Bovespa's decline was led by Telecomunicacoes Brasileiras SA, Petroleo Brasileiro SA, and Centrais Eletricas Brasileiras SA, the state-controlled telephone holding company, oil company and electricity holding company respectively. The common and nonvoting preferred shares were responsible for more than 60 percent of the Bovespa's decline.

Some fund managers expressed frustration at what they considered an "irrational" reaction on the part of many investors.

"People are looking for liquidity at any price," said Manuel Macedo, of Banco Tendencia in Sao Paulo, told

Bloomberg News. "If I could choose one word to describe today's trading it would be: confused."

Sentiment Is Negative

Stocks fell on concern that corporate profits may suffer more than expected from slowing growth in Asia and Latin America, Bloomberg News reported.

Banking stocks such as Citicorp and computer-related shares such as 3Com Corp. declined the most.

The consensus was so strong that the Fed would refrain from raising rates because the tumble in Asian and Latin American markets and the economies in those regions will act as a brake on U.S. economic growth and inflation.

"Sentiment in the stock market is still very much on the negative side," said Peter Cardillo, director of research at Westfield Investments in New York.

The Standard & Poor's 500 Index dropped 17.85 points, to 905.93, and the Nasdaq composite index, which is laden with computer-related companies, fell 43.15 points to 1,541.71.

Analysts had predicted that the Fed would refrain from raising rates because the tumble in Asian and Latin American markets and the economies in those regions will act as a brake on U.S. economic growth and inflation.

AMEX

Wednesday's 4 P.M. Close
The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Change
AMC	719	20 1/2	20 1/8	20 1/8	- 1/8
ABC	426	34	33 1/2	33 1/2	- 1/2
ABC Pk	217	17 1/2	17 1/8	17 1/8	- 1/8
Amstar	217	17 1/2	17 1/8	17 1/8	- 1/8
Amstar Pk	528	34	33 1/2	33 1/2	- 1/2
Amstar	398	11 1/2	11 1/8	11 1/8	- 1/8
Amstar	149	12 1/2	12 1/8	12 1/8	- 1/8
Amstar	1215	16 1/2	16 1/8	16 1/8	- 1/8
Amstar	220	22 1/2	22 1/8	22 1/8	- 1/8
Amstar	451	2 1/2	2 1/8	2 1/8	- 1/8
Amstar	176	1 1/2	1 1/8	1 1/8	- 1/8
Amstar	163	1 1/2	1 1/8	1 1/8	- 1/8
Amstar	178	1 1/2	1 1/8	1 1/8	- 1/8
Amstar	703	11 1/2	11 1/8	11 1/8	- 1/8
Amstar	217	17 1/2	17 1/8	17 1/8	- 1/8
Amstar	560	1 1/2	1 1/8	1 1/8	- 1/8
Amstar	1675	17 1/2	17 1/8	17 1/8	- 1/8
Amstar	214	21 1/2	21 1/8	21 1/8	- 1/8
Amstar	244	24 1/2	24 1/8	24 1/8	- 1/8
Amstar	244	24 1/2	24 1/8	24 1/8	- 1/8

EUROPE

CSFB Pays Barclays \$256 Million for BZW

Compiled by Our Staff From Dispersed Sources

LONDON — Barclays PLC finally reached agreement with Credit Suisse First Boston on Wednesday on the sale of parts of the British banking company's BZW investment banking arm in a deal worth £150 million (\$255.6 million).

Barclays said that Credit Suisse First Boston would buy its British and European equities and mergers businesses. The sale, which also includes part of BZW's equities department business, will result in the transfer of 960 BZW employees, the companies said.

CSFB will pay £100 million to Barclays and £50 million in payments to keep employees, including more than 100 senior staff.

"The price is pretty healthy," said Philip Harris, an investment manager at Albert E. Sharp. "At least they made a pretty clear break and found an exit, but it's a sorry end to a British investment bank story."

Barclays is abandoning an 11-year strategy to build a global investment bank that could compete with such rivals as Merrill Lynch & Co. and Deutsche Bank AG.

The purchase provides Credit Suisse First Boston with a quick way to expand in Britain and fulfill its ambition to become a global player in the securities industry with a stronger presence in Europe. BZW is the No. 2 market maker in Britain, Europe's largest equities market.

Barclays shares finished down 37 pence at 1,466.

BZW's Australian, New Zealand, and Asian operations are still for sale, as Credit Suisse First Boston decided it did not want them. Chief Executive Martin Taylor of Barclays said the units would likely be sold by the end of the year. BZW's fixed income and foreign-currency units have been put in a new division, Barclays Capital Group.

Barclays did not say what price it hoped to get for the BZW equities businesses as a whole. Early analysts' estimates had been as high as £500 million. (Reuters, Bloomberg)

ING Outlines Strategy Behind Bid for Lambert

Reuters

AMSTERDAM — The Dutch financial-services group Internationale Nederlanden Groep NV said Wednesday that its record bid for Banque Bruxelles Lambert SA was part of a three-pronged strategy to prepare for a single European currency, spread its profit base and integrate its financial-services products.

ING ended months of rumors late Tuesday when it unveiled a 9 billion guilders (\$4.66 billion) bid, the biggest in Dutch corporate history, for Belgium's third-largest bank.

But even if it goes through, will create the biggest banking group in the Benelux region and Europe's 12th largest bank, with combined assets of 814 billion guilders. "Firstly, we want to expand our earnings base," ING's chairman, Aad Jacobs, said, in a Dutch radio interview. "At the moment, 70 percent of the total comes from the Netherlands.

"Secondly, we are preparing for

the euro market in which ING is a small fish at the moment. And thirdly, BBL and our existing income firms will create an integrated financial service."

ING said it viewed the Belgian market as a springboard to the rest of Europe, particularly France, where ING is not currently represented.

The Dutch financial group, perhaps best known for rescuing the British investment house Barings in 1995, already has a 13.4 percent capital stake in BBL and 20 percent of the voting rights. It is offering BBL shareholders six depositary receipts for ordinary ING shares, one call warrant and 300 Belgian francs (\$8.50) for each BBL share held.

The offer, valid from Dec. 3 to 17, values the Belgian bank at 10.4 billion guilders and each share at 9,500 Belgian francs.

BBL shares closed at 9,390 francs, up 390, in Brussels. ING shares closed at 81 guilders, down 1.80, in Amsterdam.

Mercedes' A-Class Receives Award

Car That Flipped Over Is Voted Best in Class by a German Paper

BERLIN — Mercedes-Benz AG's A-Class won the 1997 Golden Steering Wheel award Wednesday as the best new car in its class as day after Daimler-Benz AG said it would temporarily halt shipments of the car until February after it tipped over in a test run.

Separately, the Swedish test driver, whose trial run with Mercedes-Benz's A-Class small car prompted an international safety scare, said it was a relief to see the car taken off the road.

Goldman Sachs & Co., meanwhile, said that despite the controversy, Daimler-Benz would retain its rating as a market for former.

The paper, from the editors of the German newspaper Bild am Sonntag, comes as welcome news to Mercedes, which has seen the A-Class come under a wave of bad publicity.

The award's jury said it was not worried by reports the A-Class was unstable.

"The A-Class is a safe and, during normal driving, a good handling vehicle," Bild's chief editor, Michael Spreng, said at the presentation of the award.

One of the award jury's board members, Rauno Aaltonen, said he had put the car through the so-called "elk test" — which had first exposed the A-Class's stability problems — and that it had shown no problems.

The "elk test" refers to a quick evasive turn that a car makes to avoid a large animal or other obstacle on the road. It was during such a test conducted by a Swedish car magazine that the A-Class first rolled over.

Germany's motoring press came under fire Wednesday for failing to detect the car's flaw. Critics assailed the German car media for what they called tame coverage of the A-class and excessively close ties to the domestic car industry.

"Most of the German journalists were wearing rose-colored spectacles when they tested this car," said Peter Schmidt, an analyst and journalist for Automotive Industry Data newsletter in London.

Journalists at magazines and newspapers are

spilled rotten by the car manufacturers and it's obvious why."

Robert Collin, who has tested cars for the Swedish magazine Teknikens Värld for the past 13 years, proclaimed the "Baby Benz" to be unstable after it flipped during the test.

"I have tested many bad cars, but this was not just a bad car, it was a disaster," Mr. Collin said. "It was so much worse than any other car on the market that they could not possibly continue to sell it. In a while they will be very grateful this happened now."

Undeterred by the personal criticism he suffered for taking a stand against the car, Mr. Collin challenged the company's contention that the car's instability was due to problems with the tires.

Keith Hayes, an analyst at Goldman, said in a note that despite the problem with the car he was retaining his positive estimates for Daimler-Benz. Mercedes' parent company, Daimler AG, said the redesign would cost 100 million Deutsche marks (\$58.5 million) in 1997 and 200 million DM in 1998.

"The biggest impact is probably to Mercedes' pride rather than its financial well-being," Mr. Hayes said. Daimler's shares fell 1.45 DM to 109.75 DM.

Daimler said it was modifying the A-Class' chassis, which, in addition to several previously announced upgrades of the car, meant it would stop deliveries for 12 weeks and that production would slow.

Separately, Daimler said cancellations of orders for the A-Class doubled to 2,000, although analysts said the car's launch would weather the storm of negative publicity.

"They will surely suffer," said Simon Miller, auto analyst at Union Bank of Switzerland. "But they have reacted quickly and probably done more than any other carmaker would do to make modifications and that will probably save them."

Daimler said that despite the cancellations, it had received an equal number of new orders, leaving total orders unchanged at about 100,000 units.

(Reuters, Bloomberg, AFP)

Trichet Gets Backing for Bid to Head Bank

Reuters

MILAN—Rüdiger Dornbusch, a U.S. economist, said Wednesday that he thought Jean-Claude Trichet, the governor of the Bank of France, would make an excellent president of the European central bank, and he suggested that the Bundesbank's chief economist, Otmar Issing, should be his deputy.

"The candidacy of Jean-Claude Trichet to the position of president of the European central bank is an unusually good choice," said Mr. Dornbusch in an article in the Milan newspaper *Corriere della Sera*.

France announced last week that it was putting forward Mr. Trichet to run the European central bank. Wim Duisenberg of the Netherlands, who heads the European Monetary Institute, had been the front-runner for the job.

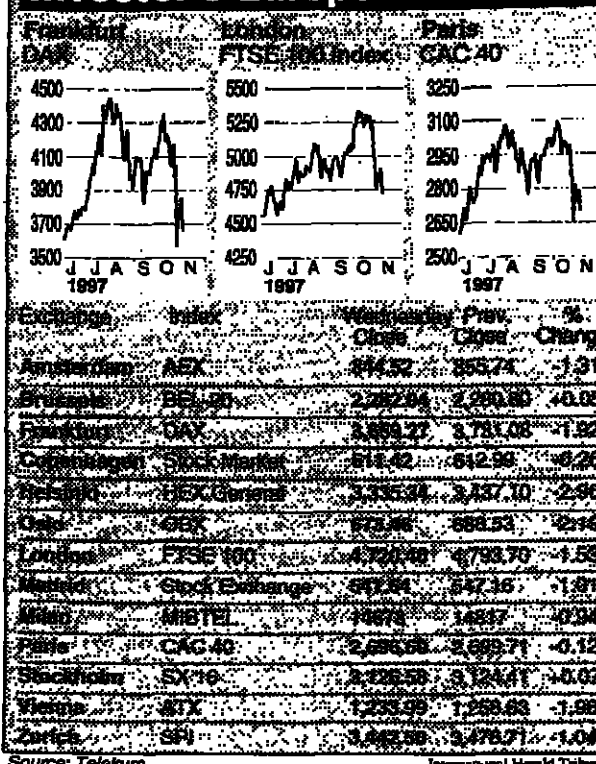
Mr. Dornbusch, an economics professor at the Massachusetts Institute of Technology, said that were it not for Mr. Trichet there would be no European economic and monetary union.

"In his capacity as governor of the Bank of France he has imposed a special monetary policy which has allowed convergence to be achieved. Without these results, monetary union simply would not exist," Mr. Dornbusch said.

Separately, Reimut Jochimsen, a member of the Bundesbank council, said a timely launch of European monetary union was now more probable than ever, but he added that he was "concerned" about the debate over who should head the bank.

Mr. Jochimsen said it was "extraordinarily regrettable" that efforts to create a framework for independent European monetary policy were overshadowed by a lack of consensus on the bank and the recent dispute over a political convention to it.

Investor's Europe



CODICE FISCALE _____ **ESCRITOIO PUBLICO DE REGISTRO E TRIBUTACAO AFTOR**

Very briefly:

- **British Sky Broadcasting PLC**, Britain's leading pay-TV provider, said first-quarter profit fell 7 percent to £61.6 million (\$105.0 million) amid high costs related to its digital broadcasting service, which is to start this spring. Revenue for the quarter ended Sept. 30 rose 24 percent to £330.2 million.
- **Etam PLC**, a financially troubled British fashion chain, accepted a takeover offer from its French namesake, Etam Développement, valuing the British company at £93 million. The deal brings together the companies founded in France and Britain by the Lindemann family in the 1920s.
- **Bayer AG** and **Schering AG**, two of Germany's largest drugmakers, both said the weak mark contributed to strong third-quarter earnings. Bayer said pretax profit rose 18 percent from a year ago to 1.16 billion Deutsche marks (\$678.9 million) as sales rose 19 percent to 13.93 billion DM. Schering's profit rose 67 percent to 70 million DM.
- **Thyssen AG**, the German industrial conglomerate, said its operating profit for the year ending Sept. 30 would likely be double last year's earnings of 610.5 million DM.
- **Accor SA**, France's biggest hotel operator, said third-quarter sales rose 18 percent to 8.6 billion francs (\$1.5 billion) as the weak franc attracted more tourists from the United States and Britain. Accor operates the Motel 6, Ibis and Sofitel chains.
- **Telefonica de Espana SA** said strong sales from its Latin American operations and its domestic cellular-phone unit helped profit rise 18 percent to 141.70 billion pesetas (\$982.9 million) for the first nine months of the year.
- **Scandinavian Airlines System** said pretax profit for the first nine months of the year rose 21 percent to 1.75 billion Swedish kronor (\$234.3 million) as passenger numbers rose 3.9 percent and sales rose 10 percent, to 28.73 billion kronor.
- **The European Commission** does not see competition barriers to the combination of **WorldCom Inc.** with **MCI Communications Corp.**, sources said.

WORLD STOCK MARKETS

Wednesday Nov. 12

Prices in local currencies.

Telephones

High Low Close Prev.

Amsterdam

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ASIA/PACIFIC

Suharto's Son Drops Suit on Bank Closure

Compiled by Our Staff From Dispatches
JAKARTA — President Suharto's son Bambang Trihatmodjo withdrew a suit Wednesday against the government for closing a bank that he co-owns, removing a hurdle to the success of the \$23 billion IMF-led bailout plan for Indonesia.

The suit was dropped as the head of the International Monetary Fund, the main sponsor of the plan, met with Mr. Suharto in Jakarta to discuss carrying it out.

"For the sake of the broader national interest we withdrew our lawsuit," Mr. Bambang said. "PT Bank Andromeda respects the government's decision."

The managing director of the IMF, Michel Camdessus, said Wednesday in Jakarta that the cancellation of the suit was a "good piece of news" and added that he thought the criteria used to close the banks had been objective.

The suit, filed last week, had named the finance minister, Mar'ie Muhammad, and the governor of Bank Indonesia, Soedradjat Djiwandono, as defendants. Mr. Bambang asserted last week that his bank had been unfairly singled out for punishment as part of a "political move" by Mr. Muhammad to discredit President Suharto and his family.

The bank, in which Mr. Bambang holds a 25 percent stake, was one of 16 that the government had ordered to be liquidated. It said they were "insolvent to the point of endangering business continuity, disturbing the overall banking system and harming the interests of society."

Analysts and business executives said the withdrawal of the suit augured well for economic reforms.



Mr. Bambang, son of President Suharto.

Gede Artjana, chairman of a parliamentary commission overseeing the economy, said he was "relieved" by the move.

"I see this as a positive measure," he said. "We, the Parliament, welcome the measure."

The withdrawal of the suit also helped lift stocks. The Jakarta Stock Exchange Composite Index rose 0.33 percent, to 449.64.

"Investors were very afraid that if this suit had gone through, it would have undermined the entire program" of reform linked to the IMF package, said Thomas Meidinger, a salesman at Nikko Securities. "It was an extra question mark in the Indonesian equation."

Meanwhile, Mr. Camdessus said Indonesia faced periodic reviews on reform of its economy under the three-year bailout package.

On Friday, Mr. Camdessus is scheduled to meet in Bangkok with the new prime minister of Thailand, Chuan Leekpai, to discuss the bailout plan for Thailand and the economic situation there, said Alongkorn Polabut, a close aide to Mr. Chuan.

(AFP, AP, Bloomberg, Reuters)

Asia's Storm Clouds Linger

Report on Bank Debt Signals a 'Lot of Pain' to Come

Bloomberg News

SINGAPORE — Bad debts at Asian banks outside Japan could rise to more than \$300 billion by the middle of 1998, worsening a credit crunch that has already throttled economic growth in much of East Asia, the Peregrine Group said in a report issued Wednesday.

The Hong Kong investment house's estimate of bad loans represents an average of 20 percent of total loans in nine Asian countries, or the equivalent of the combined gross domestic product of Malaysia, Indonesia and Thailand.

"What we're saying here is that people are going to be surprised by the downside" of Asia's economic crisis, said Andrew Leeming, Peregrine's head of banking research. "The anecdotal evidence is that there's going to be a lot of pain out there."

Although ballooning bad loans on banks' books from profligate lending in the boom years of the early 1990s had been widely expected, Peregrine is among the first brokerage houses in Asia to make public its region-wide estimate.

Peregrine said it could not immediately provide historical figures for comparison. Its country-by-country estimates of bad loans were generally higher than figures released by some central banks.

Since the July 2 devaluation of the Thai baht, Asia's stock and currency markets have been thrown into turmoil as one country after another has grappled with the erosion of investor confidence in the region's economic foundations.

Banks have been particularly hard hit because the drop in the value of Asian currencies against the U.S. dollar has significantly increased the cost of debt for companies with foreign loans. How long the economic pain lasts will depend on how effectively and quickly regulators and bankers can act, Peregrine said.

Recovery for most of these countries will fall somewhere between Japan's protracted turnaround and the relatively swift rebound in the United States after the savings-and-loan crisis of the late 1980s, said Christopher Wood, Peregrine's strategist for emerging markets.

"In Indonesia, we're seeing a readiness to bite the bullet in terms of implementing an almost draconian monetary policy where you have an IMF package in place," he said, referring to rescue funds provided by the International Monetary Fund.

"In Malaysia, you see the absolute opposite policy. They're running a very easy monetary policy," he said. "While ripples from Asia's crisis have been felt as far

away as Wall Street, Peregrine reckons the potential for larger economic adjustments is rising as the focus of the region's problems shifts to Northeast Asia from Southeast Asian countries such as Indonesia and Thailand."

Noting that Asia, excluding Japan, had been the growth locomotive of the 1990s, Mr. Wood said the level of bad loans and lack of recovery in Japan was worrisome. He said the bad-loan problem would lead to a steep drop in capital spending in Asia and would slow economic growth as well as loans growth.

While China's estimated \$271 billion in bad loans represents the lion's share of the bad-loan problem in Asia, Mr. Wood said he was most worried about the potential for further deterioration of South Korea's economic system. "This is the biggest structural problem in Asia — it's bigger than Thailand," he said, adding that he expected the Korean won to continue to decline against the U.S. dollar.

Last week, a senior official at South Korea's central bank said that bad or suspect debts at the country's banks totaled about 50.7 trillion won (\$51.21 billion), or almost 16 percent of all loans. Mr. Wood estimates that Korean bad loans stand at \$92 billion, or 30 percent of total loans.

Investor's Asia

Exchange	Index	Wednesday Close	Previous Close	% Change
Hong Kong Hang Seng		9,807.81	10,004.13	-3.96
Singapore Straits Times		1,685.79	1,684.10	+0.10
Sydney All Ordinaries		2,610.90	2,624.00	-0.52
Tokyo Nikkei 225		15,434.17	15,867.23	-2.73
Kuala Lumpur Composite		684.48	692.48	-1.16
Bangkok SET		468.37	467.94	+0.31
Seoul Composite Index		517.49	522.11	-0.88
Taipei Stock Market Index		Closed	7,712.18	-
Manila PSE		1,841.81	1,862.28	-1.10
Jakarta Composite Index		448.64	448.16	+0.33
Wellington NZSE-40		2,416.22	2,433.74	-0.72
Bombay Sensitive Index		N.A.	3,723.40	-

Source: Tokelars International Herald Tribune

Very briefly:

• Azerbaijan celebrated the start of production at Chirag-1, an oil field in the Caspian Sea that involves Azerbaijan's state oil company, SOCAR, and a consortium of 11 oil companies from seven countries, including Amoco Corp., Exxon Corp., Pennzoil Co. and Unocal.

• Japanese banks are being charged higher interest to borrow dollars from European and U.S. banks, although the "Japan premium" is not higher because of concern over instability in the Japanese financial system, a Japanese Finance Ministry official said. He said foreign banks were refraining from actively participating in the money market before they close their books in December.

• Regent Pacific Group Ltd., a Hong Kong fund-management firm, said it showed an annualized return of 69 percent on its equity during its first six months as a public company, partly because it was shunning its hometown markets.

• Sharp Corp., a Japanese maker of household electronic items, said group net profit fell 16.2 percent in the first half, to 20.3 billion yen (\$162.7 million), prompting it to reduce its full-year net profit forecast by 46 percent, to 40.5 billion yen.

• KDD Co.'s shares rose 17 percent, to 6,320 yen, after the company said it was in talks with at least two Japanese long-distance phone companies about a possible merger.

• Indian Hotels Co., India's largest hotel chain, said first-half profit fell 9 percent, to 467 million rupees (\$12.8 million), as a slowdown in the economy hurt business.

• The Philippines' sales of passenger cars fell 11 percent in the first 10 months of 1997, to 65,937 units, the Chamber of Automotive Manufacturers of the Philippines said, attributing the decline to higher interest rates on car-financing loans.

• AFP Asia Pte. Ltd., a financial news agency based in Hong Kong, is moving some of its editorial staff to Manila to cut costs and divide its regional coverage.

• Tokyo prosecutors have formally charged the former president of Yamaichi Securities Co., Atsuo Miki, and six other executives with illegally reimbursing a customer for securities-trading losses.

AP, Bloomberg

Toyota's Hybrid Orders Exceed Expectations

Reuters

TOKYO — Toyota Motor Corp. is enjoying huge demand for its environment-friendly hybrid car, with more than 1,000 units sold since the company started taking orders last month, the Nihon Keizai Shimbun reported Wednesday.

A Toyota spokesman declined to say how many orders for the Prius it has received, but said that it had so far received a very good response from customers.

Toyota said last month that its initial sales target for the Prius was 1,000 units a month. The Prius will be introduced in Japan on Dec. 10. Toyota's hybrid system uses a 1.5-liter gasoline engine and an electric motor and offers higher fuel efficiency and cleaner emissions.

Hong Kong Fall Squeezes China's Cash Access

Agence France-Presse

HONG KONG — The sharp falls on the Hong Kong stock market have cut Beijing's access to international capital markets and could hinder its ability to raise the huge amount of money needed to rejuvenate ailing state enterprises.

Hong Kong shares in mainland-linked enterprises — including the so-called red chips, companies listed and traded in Hong Kong but controlled from China — have weathered the market storm better than other sectors.

Many issues made a strong debut in Hong Kong, but analysts warned it might be a long time before similar conditions return. China may even have to review links with foreign investors in its campaign to save state-owned enterprises.

"You may not see many initial public

offerings before the end of the year," said Raymond Jook, head of China research for SocGen-Crosby. "With the current instability, it is difficult for the investment banks to price an issue."

With prospective single-digit price-to-earnings ratios, he added, "Chinese companies might not want to list."

At the height of red-chip fever this year, those ratios were running at about 30 for 1998 profit projections, according to Paribas Asia Equity analysts.

The recent slump in the market has already pulled the ratio down to 16. But that is 60 percent higher than the ratio for stocks in the benchmark Hang Seng Index.

Speculation that bolstered red chips was based on expectations that parent companies would inject assets, but such capital flows

have halted since June.

"If they cannot do asset injections by the end of this year," Mr. Jook said, "a lot of people will be very disappointed and pressure on the prices will grow."

"If they cannot justify their valuation," he added, "in less than six months their shares will crash. In a bear market, people will focus on fundamentals."

Jing Ulrich, a China researcher with Credit Lyonnais Securities Asia, said initial public offerings would be delayed but added that 1997 "has been a record year."

To be able to make an international comeback, analysts say, Chinese companies will have to accept more realistic valuations.

Mr. Jook said the companies should "increase their shareholding by issuing more shares at lower prices."

PORTUGAL TELECOM

1997 Half Year Results

Full Service Telecom Provider

- International / Domestic Telephony
- Mobile Services
- Cable Television
- Data Communications

(in million, except*)	1997 USD	1997 PTE	1996 PTE	Δ (%)
Operating Revenues	1,460.5	257,018	229,976	+12%
Operating Income	381.3	67,092	59,136	+13%
Consolidated Net Income	188.7	33,209	23,043	+44%
Earnings per Share*(USD/PTE)	0.99	175	121	+44%

"... The progress achieved in the first half of 1997 is very encouraging ..."

"The Group continues to focus on client satisfaction and improved quality of service in all business areas ..."

The Board of Portugal Telecom

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Listed on the Lisbon Stock (PTCO.IN) and New York (PT) Stock Exchanges;
 traded on SEAG in London.

Wednesday's 4 P.M.
1,000 most-traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

[illegible][illegible]

Case No.	Defendant	Charge	Verdict	Penalty	Remarks
1	John Doe	Robbery	Guilty	10 Years	
2	Jane Smith	Murder	Not Guilty		
3	Robert Johnson	Auto Theft	Guilty	5 Years	
4	Mary White	Drugs	Guilty	3 Years	
5	James Brown	Burglary	Guilty	7 Years	
6	Sarah Green	Assault	Not Guilty		
7	Michael Black	Sexual Offense	Guilty	15 Years	
8	Linda Gray	Shoplifting	Guilty	1 Year	
9	David King	Public Intoxication	Not Guilty		
10	Elizabeth Lee	Child Neglect	Guilty	6 Months	
11	William Hall	Disorderly Conduct	Not Guilty		
12	Patricia Young	Identity Theft	Guilty	4 Years	
13	Christopher Scott	Carjacking	Guilty	20 Years	
14	Amanda Hill	Stalking	Guilty	2 Years	
15	Benjamin King	Possession of Firearm	Guilty	3 Years	
16	Rebecca White	Child Abuse	Guilty	12 Years	
17	Gregory Black	Sexual Assault	Guilty	18 Years	
18	Michelle Green	Identity Theft	Guilty	4 Years	
19	Anthony Gray	Public Intoxication	Not Guilty		
20	Stephanie King	Child Neglect	Guilty	6 Months	
21	Timothy Lee	Disorderly Conduct	Not Guilty		
22	Victoria Hall	Identity Theft	Guilty	4 Years	
23	Jonathan Young	Carjacking	Guilty	20 Years	
24	Karen Scott	Stalking	Guilty	2 Years	
25	Steven Hill	Possession of Firearm	Guilty	3 Years	
26	Deborah King	Child Abuse	Guilty	12 Years	
27	Eric White	Sexual Assault	Guilty	18 Years	
28	Christina Black	Identity Theft	Guilty	4 Years	
29	Donald Green	Public Intoxication	Not Guilty		
30	Angela Gray	Child Neglect	Guilty	6 Months	
31	Robert King	Disorderly Conduct	Not Guilty		
32	Michelle Lee	Identity Theft	Guilty	4 Years	
33	Christopher Hall	Carjacking	Guilty	20 Years	
34	Stephanie Young	Stalking	Guilty	2 Years	
35	Benjamin Scott	Possession of Firearm	Guilty	3 Years	
36	Rebecca Hill	Child Abuse	Guilty	12 Years	
37	Gregory King	Sexual Assault	Guilty	18 Years	
38	Michelle Gray	Identity Theft	Guilty	4 Years	
39	Anthony Green	Public Intoxication	Not Guilty		
40	Stephanie King	Child Neglect	Guilty	6 Months	
41	Timothy Lee	Disorderly Conduct	Not Guilty		
42	Victoria Hall	Identity Theft	Guilty	4 Years	
43	Jonathan Young	Carjacking	Guilty	20 Years	
44	Karen Scott	Stalking	Guilty	2 Years	
45	Steven Hill	Possession of Firearm	Guilty	3 Years	
46	Deborah King	Child Abuse	Guilty	12 Years	
47	Eric White	Sexual Assault	Guilty	18 Years	
48	Christina Black	Identity Theft	Guilty	4 Years	
49	Donald Green	Public Intoxication	Not Guilty		
50	Angela Gray	Child Neglect	Guilty	6 Months	

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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The Communicator.

SPORTS

Lemieux Gets Punchy As Colorado Beats Wings

The Associated Press

Claude Lemieux didn't like being bloodied by Darren McCarty, who hadn't liked what Lemieux did to Kris Draper's face.

It took Lemieux and McCarty about a minute on Tuesday night to remind each other of just that.

Away from the fighting, Colorado's reserve goalie, Craig Billington, stopped all 32 shots he faced. And Rene Corbet and Eric Messier scored third-

NHL ROUNDOFF

period goals as the Avalanche beat Detroit, 2-0, in the latest meeting of one of the NHL's nastiest rivalries.

"If you're going to do it, do it right off the bat," Lemieux, a Colorado winger, said of the fight.

Lemieux and McCarty went toe-to-toe for about a minute before wrestling each other to the ice. Each player was given a five-minute penalty for fighting and a 10-minute misconduct.

The two have squared off before, their most notable fight coming during a brawl-filled game last March at Detroit. That night, McCarty bloodied Lemieux in retaliation for a hit he put on Draper during the 1996 playoffs that resulted in reconstructive facial surgery for the Detroit player.

"I thought about it mainly just today," Lemieux said. "It's not something you tell your teammates, that you're going to fight. I didn't say much; I just got myself ready."

McCarty said he understood Lemieux's motives, but still didn't respect him. "It could've been easy for him to let things be, but he wanted to prove something," McCarty said. "It was more or less his move. In my mind he's still an idiot because he hasn't apologized to Draper."

Billington, making a rare start for the testing Patrick Roy, was the difference, handing the Red Wings their first shutout loss since Anaheim beat Detroit, 1-0, last March 30.

Kings 3, Canucks 2 At Inglewood, California, Yanic Perreault scored three goals for his second career hat trick and Los Angeles sent Vancouver to its team-record 10th consecutive loss.

Luc Robitaille scored twice and became the third player to score 400 goals for the Kings. Mattias Norstrom ended an 88-game scoring drought.

Flames 1, Senators 0 In Philadelphia, Ron Hextall turned aside 16 shots and Paul Coffey scored in the second period as the Flyers extended their winning streak to four games and their unbeaten streak to six.

Maple Leafs 5, Blackhawks 2 In Toronto, Igor Koriolov scored twice as Toronto rallied to snap Chicago's six-game unbeaten streak.

Coyotes 5, Lightning 2 At Phoenix, Keith Tkachuk scored twice and Brad Isbister scored the game-winner early in the final period as the Coyotes kept Tampa Bay winless in 13 games.

Nikolai Khabibulin made 20 saves in his 59th consecutive start dating from Jan. 5—the second-longest streak since the league expanded in 1966-67.

Khabibulin trails only Grant Fuhr, who started 76 consecutive games for the St. Louis Blues two seasons ago.



Keith Askins of the Miami Heat, right, winning a battle for a loose ball with Terry Dehere of Sacramento.

Rodman Puts on a Show as Bulls Lose

The Associated Press

Michael Jordan scored less than 20 points, Dennis Rodman shot his mouth off as the Chicago Bulls lost their third straight road game.

Chicago was dominated Tuesday by a young Cleveland team that won, 101-80. Jordan, guarded by the rookie Derek Anderson, scored only 19 points as the Cavs held Chicago to 37 percent shooting.

Rodman had two minor incidents with the league's new female referee, Violet Palmer, and afterward offered this assessment of her performance: "Oh, Lord. Well, if you take that hair off her, I think she's a man."

"I'll probably get fined for that statement," Rodman added, "but I don't give a damn. Really."

Palmer, one of two women who are refereeing in the league this season, called Rodman for a block on Shawn Kemp's drive with 9:18 left in the first quarter. Rodman did a little dance that

included the signal for a blocking foul and got Palmer to laugh.

Rodman wasn't so kind the second time Palmer blew the whistle on him two minutes later. Again called for blocking

NBA ROUNDOFF

Kemp, Rodman crouched on the baseline with the ball and was called for delay of game. He angrily pulled his shirttail out as he went to the sideline, and was still motioning to Palmer during a timeout.

Hawks 89, Sonics 87 In Atlanta, Steve Smith hit a turnaround jumper from 16 feet with 4.9 seconds left, and Gary Payton's layup bounced off the rim at the buzzer as Atlanta improved to 7-0. The Sonics were held scoreless after Detlef Schrempf made two free throws with 4:07 left to give his team an 87-80 lead.

Spurs 93, Timberwolves 92 David Robinson tipped in his own missed layup at the buzzer to give San Antonio a victory in Minneapolis.

Lakers 119, Mavericks 96 In Dallas, Shaquille O'Neal scored 25 of his season-high 37 points in the first half as Los Angeles rolled to its fifth consecutive victory.

Heat 101, Kings 82 In Miami, Isaac Austin, starting at center for the Heat while Alonzo Mourning is injured, scored 24 points.

Knicks 93, Nuggets 90 In New York, Patrick Ewing scored 28 points and helped New York avoid another fourth-quarter collapse.

Grizzlies 119, Clippers 113 In Vancouver, Shareef Abdur-Rahim scored 17 of his 29 points in the second half for the home team, which attempted an NBA record 32 free throws in the fourth quarter.

Abdur-Rahim's three-point play with 3:44 remaining gave the Grizzlies a 103-101 lead as they came back from a 10-point deficit. Vancouver was just 30-of-47 from the foul line, but 16-of-19 over the final 6:21.

Celtics Star Is Reborn in Women's League

By Earl Gustkey

Los Angeles Times Service

Last May, K.C. Jones, the legendary player and coach, carried a box of his possessions out of the Boston Celtics' offices.

His tenure with an NBA team he had played on for nine years and then served as a head or assistant coach for 12 more seasons was over.

One thing didn't add up, though. Jones was wearing a big smile. He knew something few others knew.

Less than 24 hours later, Jones was in Hartford, Connecticut, in the offices of the New England Blizzard of the American Basketball League.

He interviewed with the general manager, Pam Batulis, then met with three players, Jennifer Rizzotti, Kara Wolters and Carla Berube.

The 6-foot, 1-inch (1.85 meters) Jones was startled when he was introduced to Wolters. She's 6-7.

Six months later, having passed muster with the three players and Batulis for the head coaching job, Jones, 65, was telling the differences between the men's and women's games.

"Other than the obvious stuff like size and strength, I'd say the work ethic and the enthusiasm in the women's game are much better," he said.

"In practice, my players dive on the floor after loose balls. I never saw that in the NBA."

One Blizzard staff member recalls a dispute during training camp between Jones and Rizzotti and Carolyn Jones. Both players were limping because of hamstring pulls, yet insisted they were sound enough to practice.

"K.C. had to stop practice and or-

der them off the court, and they were furious," said Steve Raczynski, the team publicist.

Patience is the byword in the women's game, Jones said. "The men's game is generally dribble, dribble, one or two passes, and a shot," he said.

"Here, it's three to five passes, and a shot. It's a passing game, and I like that. That's my game."

"Another thing is confidence. Men have it; the women don't. I feel like I have to keep boosting my players' confidence. Carla Berube—she has no idea how talented she is. I have to draw it out of her."

"Same with Wolters. A 6-7 woman in this game is like having a 7-3 guy. She's slow, but so was Larry Bird. She has good feet and hands. Her upside is awesome. Yet she has very little confidence."

Marlins Open Auction By Shipping Out Alou

By Murray Chass

New York Times Service

"Be sure to get your tickets for the 1998 season," trumpets the telephone recording at the offices of the Florida Marlins. "With the Marlins winning the World Series, tickets are sure to go fast."

Maybe not so fast now that the Marlins have begun what promises to be the fastest, most dramatic dismantling of a World Series champion in baseball history.

The Marlins, vowing to slash their payroll beyond 1997 recognition, traded Moises Alou, their most productive hitter this past season, to the Houston Astros on Tuesday for two Class AA relief pitchers and a Class A player and advertised that more deals were to come.

"At this point we're definitely moving payroll and we're scaling down," said Dave Dombrowski, the Marlins' general manager. "We'll see where it ends up taking us. It's not by any means what you're looking forward to doing, but we have our marching orders."

Apparently the end is nowhere in sight. An executive of another team said that at an Arizona Fall League game in Scottsdale on Tuesday, Gary Hughes, the Marlins' vice president for player personnel, told baseball people, "They're all available."

The Marlins' liquidation of their World Series assets is part of what has started out as a bizarre off season. Davey Johnson resigned as the Baltimore Orioles' manager last week only a few hours before he was named the American League manager of the year. The Orioles have named Ray Miller, their pitching coach, to replace him.

The Montreal Expos are trying to trade Pedro Martinez, who was just named the National League Cy Young award winner. And the Marlins are trying to revert to an earlier payroll.

In 1997, the fifth year of their existence, the Marlins' payroll soared from \$25.2 million to \$53.5 million. Dombrowski, asked how severe he expected the payroll cuts to be, said, "We have a number, but we're keeping it to ourselves."

However, in recent weeks, Wayne Huizenga, who is trying to sell the Marlins, and Don Smiley, the team president who heads a group negotiating to buy them, have said they want to wind up below \$20 million.

Alou was one of the three major free agents the Marlins signed last winter in an attempt to become a contender and lure fans back. Another was Bobby Bonilla, whom the team may also try to shed, and the third was Alex Fernandez, the pitcher with the surgically repaired rotator cuff, who Tuesday agreed to waive his trade-veto rights so he did not have to be placed on the team's 15-man protected list for the expansion draft.

Alou signed a five-year, \$25 million contract, then led the Marlins during the season with 22 home runs and 115 runs batted in and batted .292. He also led the team in the World Series with three well-timed home runs and nine runs batted in, and his leadoff ninth-inning single ignited the tying rally in Game 7.

"It's not pleasant by any means," Dombrowski said, "but it's a situation where, given what we have to do, we felt Houston had something to offer us for Moises."

The Class AA relievers, Oscar Hernandez and Manuel Barrios, are considered good prospects. Dombrowski

Expos' Martinez Wins Cy Young

New York Times Service

NEW YORK — Pedro Martinez, a right-hander about to be traded to the highest bidder by the budget-minded Montreal Expos, has ended the Atlanta Braves' stranglehold on the National League Cy Young Award.

Martinez, a 17-game winner who struck out 305 batters and led the majors in earned run average with a 1.50 mark, won in a landslide Tuesday over Greg Maddux, a four-time winner.

It was the first time since 1992 that a pitcher other than a Brave won in balloting by the Baseball Writers Association of America.

Martinez, 26, received 25 of the 28 first-place votes and gained second place on the three remaining ballots.

Maddux, recipient of the three other first-place votes, finished well ahead of his Atlanta teammate, Denny Neagle.

Roger Clemens of the Toronto Blue Jays was the winner in the American League voting.

said Henriquez had "overpowering stuff" and Barrios "above average stuff." The third player will be named when Class A rosters are unfrozen.

The Marlins traded Alou just before the deadline for the submission of the protected lists for the expansion draft. No trades may be made now until after the draft next Tuesday.

Jim Leyland, the Marlins' manager, has the right to walk away from his \$1.2-million-a-year contract if the Marlins are sold. However, last Friday, Leyland said he would remain with the team.

"We're not going to have to move everybody," Dombrowski said. "Five years ago we didn't have any players in our organization. Now in five years we won a world championship. We have a lot more talent at the major-league and the minor-league level now. This is not going to be a permanent type situation. But right now we're not in a good situation."

How did he think the fans would react? "I don't think they're going to like it," Dombrowski said. "We understand that. But we've explained what we have to do."

Diamondbacks Get a Player

The Arizona Diamondbacks traded for their first major-league player on Tuesday, The Associated Press reported. The Diamondbacks acquired the right-handed pitcher Felix Rodriguez from the Cincinnati Reds on Tuesday for a player to be named later.

Next week, Arizona and the Tampa Bay Devil Rays will choose 35 players apiece from players that existing major-league teams left off 15-man protected lists.

A coin flip Thursday will determine which team picks first. The team with the No. 1 pick will go fourth as well; the other will go second and third.

The New York Yankees also made a move, trading third baseman Charlie Hayes to the San Francisco Giants for a pair of minor leaguers. New York agreed to pay Hayes' entire \$1.6 million salary next season.

DENNIS THE MENACE



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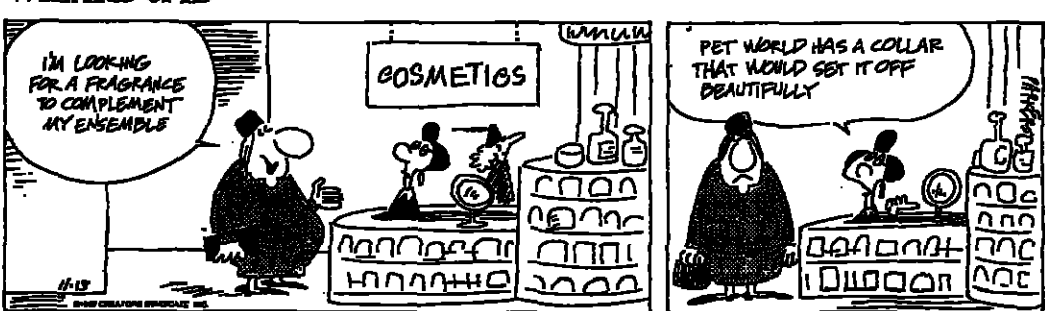
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Honest Abe's Tapes

WASHINGTON — It is not generally known that Abraham Lincoln taped all his conversations in the White House. He told his staff, "I want to go down in history as the great emancipator, and the only way I'm going to achieve that is if all my conversations are recorded."



"We could tell them it's the room where you slept. Why don't we name it the Lincoln Bedroom? Nobody would be allowed to sleep there for less than \$1,000, which would be the equivalent of \$250,000 in 1997."

"O.K., but let's not take any Confederate money because people will say the South is trying to buy the election."

"Gotcha. We need to create a package for givers. Mr. President, how about you playing golf with the big donors?"

"I don't play golf. I don't have the clothes for it. But I am willing to take them to Rock Creek and let them watch me split rails."

"That's great. Why don't you and the first lady treat everyone to an evening at Ford's Theater?"

"I don't know if the play is any good."

"Where would we put them?"

"How about the empty bedroom overlooking the Ellipse?"

"What would be such a big deal about letting a donor and his wife sleep there?"

Slave Posters

Dropped From Sale

New York Times Service

NEW YORK — After a flurry of outraged phone calls, Christie's East has withdrawn three 19th-century reward posters for runaway slaves that it was scheduled to auction Wednesday.

The unidentified seller decided not to go ahead after the auction house was inundated with calls from black Americans.

The Absent Man: Don DeLillo's America

By David Streitfeld
Washington Post Service

WASHINGTON — He has no e-mail address. No modem for connecting to the Web. No computer, even. No answering machine. His book jackets decline to provide biographical details. He won't reveal the town where he lives. For 20 years, he has had cards printed with the message "I don't want to talk about it." A joke, he insists, a self-parody, but still. Naturally, his phone is unlisted.

This is not merely Don DeLillo's way of keeping at bay any overzealous fans of his 11 brainy, sharp, increasingly esteemed novels; it's his instinctual approach to life. He got a million bucks for his new novel, "Underworld," and another million for the movie deal and it's selling so well he'll probably make a third million, but he has only one credit card. In the hotel bar, with so many fine products from the world's distilleries and vineyards available for the asking, he asks for a glass of water.

"I have a personal inclination not to do certain things," he says. Maybe many things. He doesn't vote, calling himself "a dropout." He claims not to have had a political thought since the Vietnam War. He doesn't buy much. "I'm a worthless citizen. I'm only a marginal consumer." He doesn't give lectures, attend conferences or make gossip columns. One TV appearance was quite enough. His strongest personal sense is of "unbelonging." Plus, he's shy.

Call it restraint, or caution, or disinclination, or a willingness to absent oneself. No matter what term is applied, the 60-year-old DeLillo would seem destined to produce only pale, slim novels, books as empty of apparent stimulus as the writer's own life. But it doesn't work that way. His novels use exquisite prose to take on large themes, particularly this one: What makes Americans unhappy? "Underworld" tracks more vividly than any other work the upheavals of life in this country during the last half century.

The story begins by describing a real-life event: how the New York Giants, losing the 1951 pennant-deciding game 4-1 in the bottom of the ninth, miraculously pulled off a victory over the Brooklyn Dodgers thanks to Bobby Thomson's "Shot Heard 'Round the World."

"The game doesn't change the way you sleep or wash your face or chew your food. It changes nothing but your life," thinks 16-year-old Nick Shay, the novel's central figure; many years later, Nick will buy the ball that Thomson hit, proof of the game's continuing hold on him.

Other, more deadly games are being played that day. J. Edgar Hoover, attending the game with his pals Frank Sinatra and Jackie Gleason, hears that the Soviets have



"If any art form can accommodate contemporary culture, it's the novel."

exploded an atomic bomb. The explosion and the game will battle it out on the front pages the next day. The Cold War has been joined.

"Underworld" is a complex swirl of invented lives and re-imagined history, a book in which reviewers found many different things to praise and on which literary scholars will chew for decades. More surprisingly for such a big, relatively demanding book, it has also been embraced by the public. In less than two months, it has gone through 10 printings, for a total of 295,000 copies. In a culture that prizes the short and the shallow, this is an astonishing number.

"The market is a strange thing, almost a living organism," comments the crazy, unsuccessful writer in "Great Jones Street." DeLillo's 1973 novel about paranoia, rock music and the ravages of fame. "It changes, it palpates, it grows, it excretes. It sucks things in and then spews them up. It's a living wheel that turns and crackles. The market accepts and rejects. It loves and kills."

At the moment, it loves DeLillo. He's up for next week's National Book Award, which he won in 1985 and which has become probably the biggest prize for a work of fiction. Certainly it's got the most hoopla.

DeLillo has just gotten his instructions from the awards committee on what to do and where. "They're complex," he

says glumly, "like what you would need for an assault on an enemy city."

If he weren't so polite he would go underground, completely and finally evade all who seek to grab hold of him. He reportedly once told friends that he wanted to change his name and disappear, à la the Salingerish hero of his 1991 novel, "Mao II." But he knows that certain labels like "reclusive" and "crazy" and "paranoid" get attached to artists who seek to shut off the world.

By making just enough of himself available, DeLillo hopes to avoid their fate. When a new book appears he does, too. There's a brief tour. He reads from his work, shakes hands, reveals himself to be smaller and more anonymous than in his publicity photos, which look either menacing or wild. He is careful not to give too much away.

Some bare facts: He grew up in the Bronx, the son of Italian immigrants. Lee Harvey Oswald, whose story DeLillo was to chronicle in his 1988 bestseller, "Libra," lived for a time in the same neighborhood; they never met.

The writer majored in communication arts at Fordham University, went to work writing copy for a big ad agency, "Corporations," comments Nick Shay in "Underworld." "are great and appalling things. They take you and shape you in nearly nothing flat." DeLillo got out early, after his first novel, "Americana," appeared in 1971. He never worked for anyone else. He's considered one of the few major American writers whose work keeps getting better. He is married to a landscape designer; they have no children. They live in a suburb of New York, only a short train ride away from the heart of the beast. For serious excitement, he ventures into the city itself.

Language is DeLillo's ultimate place of refuge. No workman loves his tools more, or believes more wholeheartedly that something impressive can be built with them. Arguments that the novel has lost its force and authority don't impress DeLillo.

"If any art form can accommodate contemporary culture, it's the novel," he says. "It's so malleable — it can incorporate essays, poetry, film. Maybe the challenge for the novelist is to stretch his art and his language, to the point where it can finally describe what's happening around him. I still think it's possible."

This is an increasingly rare sentiment in the literary world — that the novel still matters on a major scale, and can not only provide an escape from everyday life (any good storyteller offers that) but also help people understand it.

"I believed we could know what was happening to us," says Nick in "Underworld." "We were not excluded from our own lives."

MUSIC

Marilyn Crispell's Medley of Winter, Cats and Jazz

By Mike Zwerin
International Herald Tribune

PARIS — Marilyn Crispell is a winter person. She likes to walk in the woods in Woodstock, not far from her cozy apartment. If this were the best of all possible worlds, she would spend summers in Scandinavia.

But she cannot afford it. She's also a cat person. Cats drive people to extremes. Either you love them, like Crispell, enough to pay \$14 a day to be sat with while you're away (she's away a lot), or you're allergic. If Crispell did not have to pay for the cat-sitter she might be able to afford to live in Scandinavia in the summertime.

In an old Garfield comic strip, two men are sitting on a park bench. One of them peacefully reads the newspaper, the other is drowning in a sea of cats. Garfield draws and asks: "Guess which man is allergic to cats?" Crispell and her cat have been together for 14 years.

Only a few hours north of New York City, Woodstock is a place-name that recalls a vivid image. The images no longer have anything to do with reality, if it ever did. Tons of hippies rarely flock to Woodstock to hear rock. It's a small, modest, Bohemian enclave housing creative, crafts, country and cat people.

Bob Dylan lived in Woodstock. The band lived nearby in a house called Big Pink. Your bread just might be delivered in a van driven by the ace trombone player Roswell Rudd. The songwriter/singer Tim Hardin lived there. Karl Berger's Creative Music Studio was based in Woodstock, and in 1981 his Woodstock Jazz Festival presented an impressive array of talent including Chick Corea, Jack DeJohnette (who still lives nearby), Dewey Redman, Lee Konitz, Nana Vasconcelos, Pat Metheny, John Abercrombie, Miroslav Vitous and Marilyn Crispell.

Berger's studio dealt mostly with a form of avant-garde music called "free jazz" — jazz with few and/or new rules. Nobody likes to be pigeonholed

but Crispell can be called a free jazz pianist.

Two years ago, Crispell met her near-neighbor the free jazz singer/songwriter Annette Peacock, and they became good friends. One night Crispell had a flash. She calls it a "bolt of lightning." Out of the blue, just like that, she said to Peacock: "You know, Annette, I'd like to make a CD of your music." She had not intended to say it, the words just popped out of her mouth. You can imagine her vocal tonality rising at the end of the statement, as though it were a question. She does that often. It's evidence of shyness, a sort of bet-hedging ("I was only asking") just in case the answer is "no." She says the project is "one of the few I've ever been really inspired by."

Peacock befriended the legendary Albert Ayler when she was 17, and later accompanied him on the piano (she's self-taught). She wrote repertoire for her ex-husband Paul Bley's trio. They can be heard on the 1970 recording "Paul Bley and Gary Peacock," another ex-husband of hers. It was only the third album released by the now highly-esteemed ECM Records. The critic Art Lange wrote about it: "Peacock's songs are exquisitely evocative — able to suggest a mood, whether loneliness or exhilaration, within a very few notes."

One of Peacock's songs is named "Nothing Ever Was, Anyway," and that is also the name of a new ECM album featuring Crispell's piano with Gary Peacock's bass and Paul Motian on drums. Although Crispell has played with many notable avant-garde names, Anthony Braxton for one, she has never broken through on her own.

She works, she supports herself, and although they were for small, sometimes insolvent, labels, she has recorded many albums. Marketing is not her



Pianist Crispell walks the woods in Woodstock.

strong point, she admits it. But her flash was based very much on the possible. Peacock lived nearby, and she's worked with Motian before. They are both familiar with Annette's song and they are both viable attractions. Crispell had long wanted to approach ECM — a record on ECM is a meaningful credit — only there had never been an appropriate project. She faxed CEO Manfred Eicher in Munich. A few hours later, there was an answer: "When do you want to do it?"

Speaking of herself, the words come quickly, like she wants to get it over with, and then they get quicker. Born in Philadelphia. Grew up in Bal-

timore. Left for Boston "as soon as humanly possible." Studied classical piano at the New England Conservatory. Dreamed of living in Paris. A few recitals. Fell in love with a blues pianist and the blues not coincidentally at the same time.

Her market is mostly in Europe, although she has found a small but enthusiastic following in pockets of America. Performances on Wednesday nights in university towns. The Outpost in Albuquerque, an "enthusiastic scene" in Oakland. "People want to know why they haven't been able to hear this sort of music before. They ask 'where else can we hear it?'"

After a few weeks at home, she begins to wake up in the morning feeling "antsy. I watch Seinfeld reruns. I guess I'm a few years late on everything."

She spends a lot of time trying to figure out her position in the scheme of things. How do other creative people relate to their times? Where is contemporary music going, and how can she influence it? Not jazz as such, the sound environment in general. For her, practicing is more a matter of "conceptualizing" than repeating scales and arpeggios. She conceptualizes at night on an electric piano, the only piano she owns, with earphones.

One reason she may be "late" is that she finds change in general to be "difficult and painful. I don't think anyone goes through it willingly. I think as a general rule, change makes people nervous. I've been in my little apartment for seven years. I often think of moving to Paris or Sweden or something, but there are millions of details involved. Would there really be a point in going through all that trouble? It's all so daunting."

A FORMER singer with the rock group The Jam found himself in Paris, thirsty, and with the hotel bar closed. What's a rocker to do? You guessed it: Paul Weller went upstairs and trashed his hotel room. Managers at the Warwick hotel just off the Champs-Élysées were not amused. They called the police, and Weller ended up being quizzed at the local station, sources said. He was released several hours later after promising to pay for the damage. He nonetheless performed a concert as scheduled the next day.

The Belgian bodybuilder and action movie star Jean Claude Van Damme, along with the former Thai boxing champ Dida, is setting up a foundation to provide sports and cultural activities to children in trouble. To be called Hearts Without Borders, the foundation is planning a Christmas eve inauguration of the new charity at Planet Hollywood Disneyland on Dec. 23. The pair, currently shooting a film about legionnaires by the director Peter McDonald in Morocco, will invite 50 underprivileged children to the EuroDisney theme park outside Paris as a first move.

With his evening news emerging from the bottom of the ratings, Dan Rather has decided to stick with CBS, ending a flirtation with CNN. The 66-year-old newsmen signed a contract extension that will keep him at the network through 2002 and pay him a minimum of \$5 million to \$6 million a year. He has anchored the "CBS Evening News" since Walter Cronkite retired in 1981. Rather declined to provide details of his deal, which extends a contract due to end in 1999. Overtures from CNN to anchor a nightly newscast were "very serious," he said.

When followers of the Reverend Sun Myung Moon gather at Robert F. Kennedy Jr. Stadium on Nov. 29 for the biggest Unification Church wedding event yet, the star attraction will be a reluctant, sheepish — and richer — Whitney Houston. Her fee will be



Rather: Staying with CBS.

more than \$1 million. Like Bill Cosby, Gerald Ford and other big names before her, Houston claims she has no idea she was signing up for a Moon-sponsored event when the Family Federation for World Peace and Unification offered her "low seven figures" for 45 minutes of singing.

An Italian burglar has confessed to stealing jewelry, including a gold pocket watch and two silver boxes, and private letters belonging to Prince Charles, the heir to the British throne. He waited until the Italian statute of limitations kicked in, however. Renato Rinaldo, 35, in an Italian jail for a string of petty offenses, claimed he still had letters addressed to Charles from his friend Camilla Parker Bowles. Speaking through his lawyer, Rinaldo said he was willing to return the stolen items provided he was able to "meet the prince and his sons face to face." The prince's apartment in St. James's Palace in central London was burgled more than three years ago.

Oscar Peterson was honored for his artistic excellence in jazz and then thanked the crowd at Lincoln Center in New York by playing an unexpected duet with Wynton Marsalis. Marsalis praised the 72-year-old pianist for his dignity, virtuosity, soul, elegance, inspiration, swing, fire and belief in jazz. Peterson gave credit to Ella Fitzgerald, Dizzy Gillespie and others "who gave me the desire to do whatever it is I've done."

The virtual kitchen, or how to market the arts of the table to cybersurfers (usually better known as junk food customers): A new Internet site is dedicated to French cuisine. Georges Blanc, Bernard Loiseau and Marc Meneau are the best-known names among the list of master chefs backing the new site. Internet surfers get the chance each week to watch a chef at work making one of his creations in pictures on line. The site can be found at www.receptionfrance.com and can be read in French or English.



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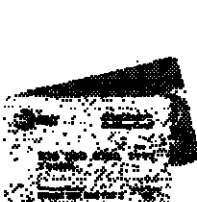
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